

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN

1a. TYPE OF WORK **DRILL** ☒ **DEEPEN** ☐

1b. TYPE OF WELL

OIL ☒ GAS ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

**Inland Production Company**

3. ADDRESS AND TELEPHONE NUMBER:

**P.O. Box 790233 Vernal, UT 84079**

**Phone: (801) 789-1866**

4. LOCATION OF WELL (FOOTAGE)

At Surface **NW/NW**

At proposed Producing Zone

**376.5' FNL & 285.6' FWL**

115

89

122-5103

292-0900

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

**14.2 Miles southeast of Myton, UT**

12. County

**Uintah**

13. STATE

**UT**

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

**285.6'**

16. NO. OF ACRES IN LEASE

**1742.37**

17. NO. OF ACRES ASSIGNED TO THIS WELL

**40**

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.

19. PROPOSED DEPTH

**6500'**

20. ROTARY OR CABLE TOOLS

**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

**5089' GR**

22. APPROX. DATE WORK WILL START\*

**1st Quarter 1998**

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>12 1/4</b>	<b>8 5/8</b>	<b>24#</b>	<b>300'</b>	<b>120 sx</b>
<b>7 7/8</b>	<b>5 1/2</b>	<b>15.5#</b>	<b>TD</b>	<b>400 sx followed by 330 sx</b>
				<b>See Detail Below</b>

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give date on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

**The actual cement volumes will be calculated off of the open hole logs, plus 15% excess:**

**SURFACE PIPE - Premium Plus Cement, w/ 2% Gel, 2% CaCl<sub>2</sub>, 1/4# Flocele/sk**

Weight: 14.8 PPG YIELD: 1.37 Cu Ft/sk H<sub>2</sub>O Req: 6.4 gal/sk

**LONG STRING - Lead: Hibond 65 Modified**

Weight: 11.0 PPG YIELD: 3.00 Cu Ft/sk H<sub>2</sub>O Req: 18.08 gal/sk

Tail: Premium Plus Thixotropic

Weight: 14.2 PPG YIELD: 1.59 Cu Ft/sk H<sub>2</sub>O Req: 7.88 gal/sk

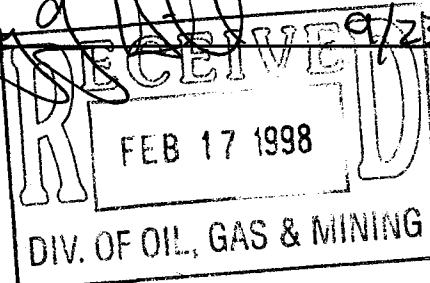
24. Name & Signature *Cheryl Cameron* Title: **Regulatory Compliance Specialist**

Date: **2/13/98**

(This space for State use only)

API Number Assigned: **43-047-33082**

APPROVAL:



\*See Instructions On Reverse Side

T4S, R1W, U.S.B.&M.

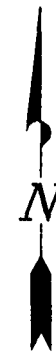
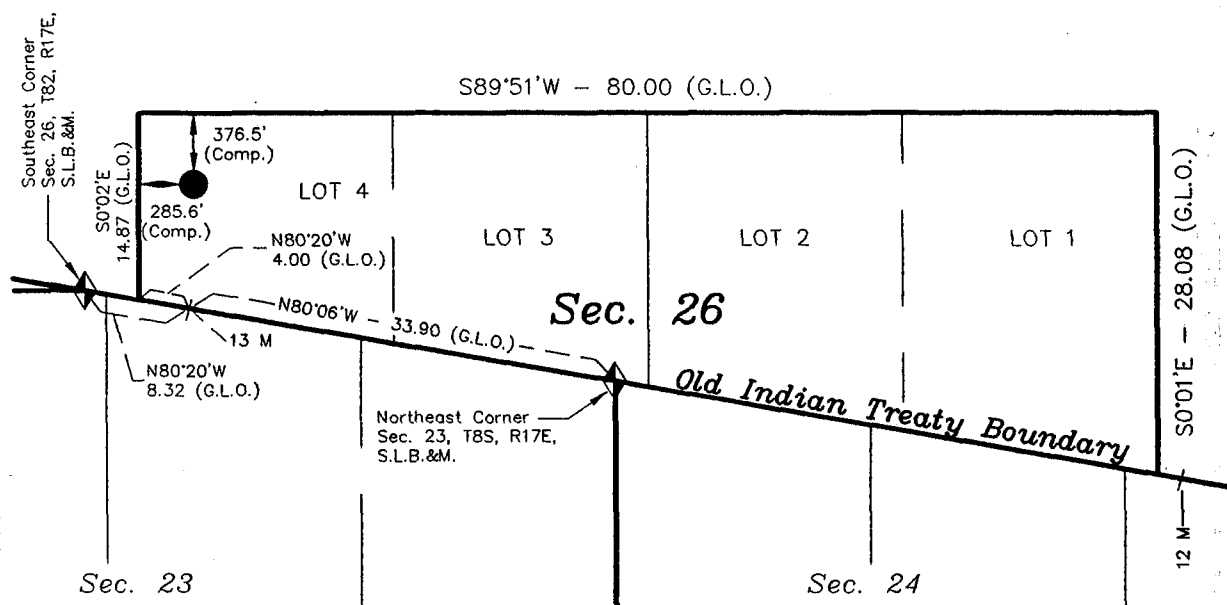
INLAND PRODUCTION COMPANY

WELL LOCATION:

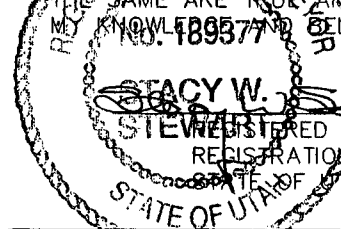
HANCOCK #4-26-4-1

ELEV. UNGRADED GROUND = 5089.5'

WELL LOCATION, HANCOCK  
#4-26-4-1, LOCATED AS SHOWN IN  
LOT 4 OF SECTION 26, T4S, R1W,  
U.S.B.&M. UINTAH COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



NOTE:  
BASIS OF BEARING IS THE LINE BETWEEN  
THE NORTHEAST CORNER OF SEC. 23, T8S,  
R17E, S.L.B.&M. WHICH IS COMPUTED FROM  
G.L.O. INFORMATION TO BEAR N80°08'46"W.

NOTES:  
1. THE WELL LOCATION BEARS N64°37'41"W  
2416.43' FROM THE NORTHEAST CORNER  
OF SECTION 23, T8S, R17E, S.L.B.&M.



SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078  
(801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: DS BG
DATE: 2/11/98	WEATHER:
NOTES:	FILE # 4-26

**INLAND PRODUCTION COMPANY  
HANCOCK 4-26-4-1  
NW/NW LOT 4, SECTION 26, T4S, R1W  
UINTAH COUNTY, UTAH**

**TEN POINT WELL PROGRAM**

**1. GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

**2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

Uinta	0' - 1995'
Green River	1995'
Wasatch	6500'

**3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:**

Green River Formation 1995' - 6500' - Oil

**4. PROPOSED CASING PROGRAM**

8 5/8", J-55, 24# w/ ST&C collars; set at 300' (New)  
5 1/2", J-55, 15.5# w/ LT&C collars; set at TD (New)

**5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

The operators minimum specifications for pressure control equipment are as follows:

A 8" Series 900 Annular Bag type BOP and a 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOPS's will be checked daily.

(See Exhibit F)

**6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:**

The well will be drilled with fresh water through the Uinta Formation. From the top of the Green River Formation @ 3050'  $\pm$ , to TD, a fresh water/polymer system will be utilized. If necessary to control formation fluids, the system will be weighted with the addition of bentonite gel, and if conditions warrant, barite. Clay inhibition will be achieved with additions of 5 lb. - 8 lb. per barrel of DAP (Di-Ammonium Phosphate, commonly known as fertilizer). This fresh water system will contain Total Dissolved Solids (TDS) of less than 3000 PPM. Neither potassium chloride or chromate's will be utilized in the fluid system. The anticipated mud weight is 8.4 ppg and weighted as necessary for gas control.

**AIR DRILLING**

In the event that the proposed location be "Air Drilled", Inland requests a variance to regulations requiring a straight run blooie line. Inland proposes that the flowline will contain two (2) 90 degree turns. Inland also requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. Inland requests authorization to ignite as needed, and the flowline at 80'.

Inland Production Company requests that the spark arrest, exhaust, or water cooled exhaust be waived under the Special Drilling Operations of Onshore Order #2.

**MUD PROGRAM**

**MUD TYPE**

Surface - 320'	Air
320' - 4200'	Air/Mist & Foam
4200' - TD	The well will be drilled with fresh water through the Green River Formation @ 4200' $\pm$ , to TD, a fresh water/polymer system will be utilized. If necessary to control formation fluids, the system will be weighted with the addition of bentonite gel, and if conditions warrant, barite. Clay inhibition will be achieved with additions or by adding DAP (Di-Ammonium Phosphate, commonly known as fertilizer.) Typically, this fresh water/polymer system will contain Total Dissolved Solids (TDS) of less than 3000 PPM. Neither potassium chloride or chromates will be utilized in the fluid system. The anticipated mud weight is 8.4 ppg and weighted as necessary for gas control.

7. **AUXILIARY SAFETY EQUIPMENT TO BE USED:**

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. **TESTING, LOGGING AND CORING PROGRAMS:**

No drill stem testing has been scheduled for this well. It is anticipated at this time that the logging will consist of a Dual Induction Laterolog, Gamma Ray/Caliber from TD to base of surface casing @ 300'  $\pm$ , and a Compensated Neutron-Formation Density Log. Logs will run from TD to 3500'  $\pm$ . The cement bond log will be run from PBTD to cement top. An automated mud logging system will be utilized while drilling to monitor and record penetration rate, and relative gas concentration, in the fluid system.

9. **ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:**

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered; nor that any other abnormal hazards such as H2S will be encountered in this area.

10. **ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:**

It is anticipated that the drilling operations will commence the first quarter of 1998, and take approximately six days to drill.

**INLAND PRODUCTION COMPANY  
HANCOCK 4-26-4-1  
NW/NW LOT 4, SECTION 26, T4S, R1W  
UINTAH COUNTY, UTAH**

**THIRTEEN POINT WELL PROGRAM**

**1. EXISTING ROADS**

See attached Topographic Map "A"

To reach Inland Production Company well location site Hancock #4-26-4-1 located in the NW¼ NW ¼ Lot 4, Section 26, T4S, R1W, S.L.B. & M. Uintah County, Utah:

Proceed southerly out of Myton, Utah along Highway 40 – 6.9 miles ± to its junction with an existing dirt road to the southeast; proceed southeasterly along this road 2.3 miles to its junction with an existing dirt road to the east; proceed easterly 2.4 miles to the beginning of the proposed location.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 216 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County Crews.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads required for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

**2. PLANNED ACCESS ROAD**

See Topographic Map B, for the existing road access to the proposed location.

The proposed access road will be an 18" crown road (9" either side of the centerline) with drainage ditches along either side of the proposed road whether it is determined necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There is one fence encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

See Exhibit "D".

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery the well pad will be surrounded by a dike of sufficient capacity to contain at minimum the entire contents of the largest tank within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted Desert Tan. All facilities will be painted within six months of installation.

5. **LOCATION AND TYPE OF WATER SUPPLY**

Inland Production Company has purchased a 3" water connection with Johnson Water District to supply the Monument Butte, Travis, and Gilsonite oil fields. Johnson Water District has given permission to Inland Production Company to use water from this system, for the purpose of drilling and completing the Hancock #4-26-4-1. A temporary line may be used for water transportation from our existing supply line, from Johnson Water District or trucked from Inland Production Company's water supply line located at the Gilsonite State #7-32 (SW/NE Sec. 32, T8S, R17E), or the Monument Butte Federal #5-35 (SW/NW Sec. 35, T8S, R16E), or the Travis Federal #15-28 (SW/SE Sec. 28, T8S, R16E). See Exhibit "C".

There will be no water well drilled at this site.

6. **SOURCE OF CONSTRUCTION MATERIALS**

See Location Layout Sheet - Exhibit "E".

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. METHODS FOR HANDLING WASTE DISPOSAL

See Location Layout Sheet - Exhibit "E".

A small reserve pit (90' X 40' X 8' deep, or less) will be constructed from native soil and clay materials. A water processing unit will be employed to continuously recycle the drilling fluid as it is used, returning the fluid component to the drilling rig's steel tanks. The reserve pit will primarily receive the processed drill cuttings (wet sand, shale & rock) removed from the well bore. Any drilling fluids which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed by the water recycling unit and then returned to the steel rig tanks. All drilling fluids will be fresh water based containing DAP (Di-Ammonium Phosphate, commonly known as fertilizer), typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride chromate's, trash, debris, nor any other substance deemed hazardous will be placed in this pit. Therefore, it is proposed that no synthetic liner be utilized in the reserve pit.

All completion fluids, frac gels, etc., will be contained in steel tanks and hauled away to approved commercial disposal, as necessary.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Immediately upon first production, all produced water will be confined in storage tanks. Inland requests temporary approval to transfer the produced water to Inland's nearby waterflood, for re-injection into the waterflood reservoirs via existing approved injection wells. Within 90 days of first production, a water analysis will be submitted to the Authorized Officer, along with an application for approval of this, as a permanent disposal method.

8. ANCILLARY FACILITIES

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. WELL SITE LAYOUT

See attached Location Layout Sheet - Exhibit "E".

The reserve pit will be located on the north between stakes 4 & 5.

The stockpiled topsoil (first six (6) inches) will be stored on the south between stakes 1 & 8.

Access to the well pad will be from the existing road on the northwest corner, near stake #4.

Corner #2 will be rounded to avoid drainage.

**Fencing Requirements**

All pits will be fenced according to the following minimum standards:

- a) A 39 inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be cemented and/or braced in such a manner to keep tight at all times.
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

**10. PLANS FOR RESTORATION OF SURFACE**

a) *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

The reserve pit and that portion of the location not needed for production facilities/ operations will be re contoured to the approximated natural contours. The reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion . Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

When the drilling and completion phase ends, reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer.

b) *Dry Hole Abandoned Location*

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

**11. SURFACE OWNERSHIP – Roland J. and Yvonne T. Oman, Living Trust**



12. **OTHER ADDITIONAL INFORMATION**

- a) Inland Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Inland is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.
- b) Inland Production will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological Cultural Resource Survey Report will be submitted as soon as it becomes available.

***Additional Surface Stipulations***

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations. Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. Inland Production is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

***Hazardous Material Declaration***

Inland Production Company guarantees that during the drilling and completion of the Hancock #4-26-4-1, we will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Inland also guarantees that during the drilling and completion of the Hancock #4-26-4-1 we will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Inland Production Company or a contractor employed by Inland Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Cheryl Cameron  
Address: P.O. Box 790233 Vernal, UT 84079  
Telephone: (801) 789-1866

Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of Well #4-26-4-1 NW/NW Lot 4, Section 26, Township 4S, Range 1W: Lease: Fee, Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4471291. *RN-4471290*

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

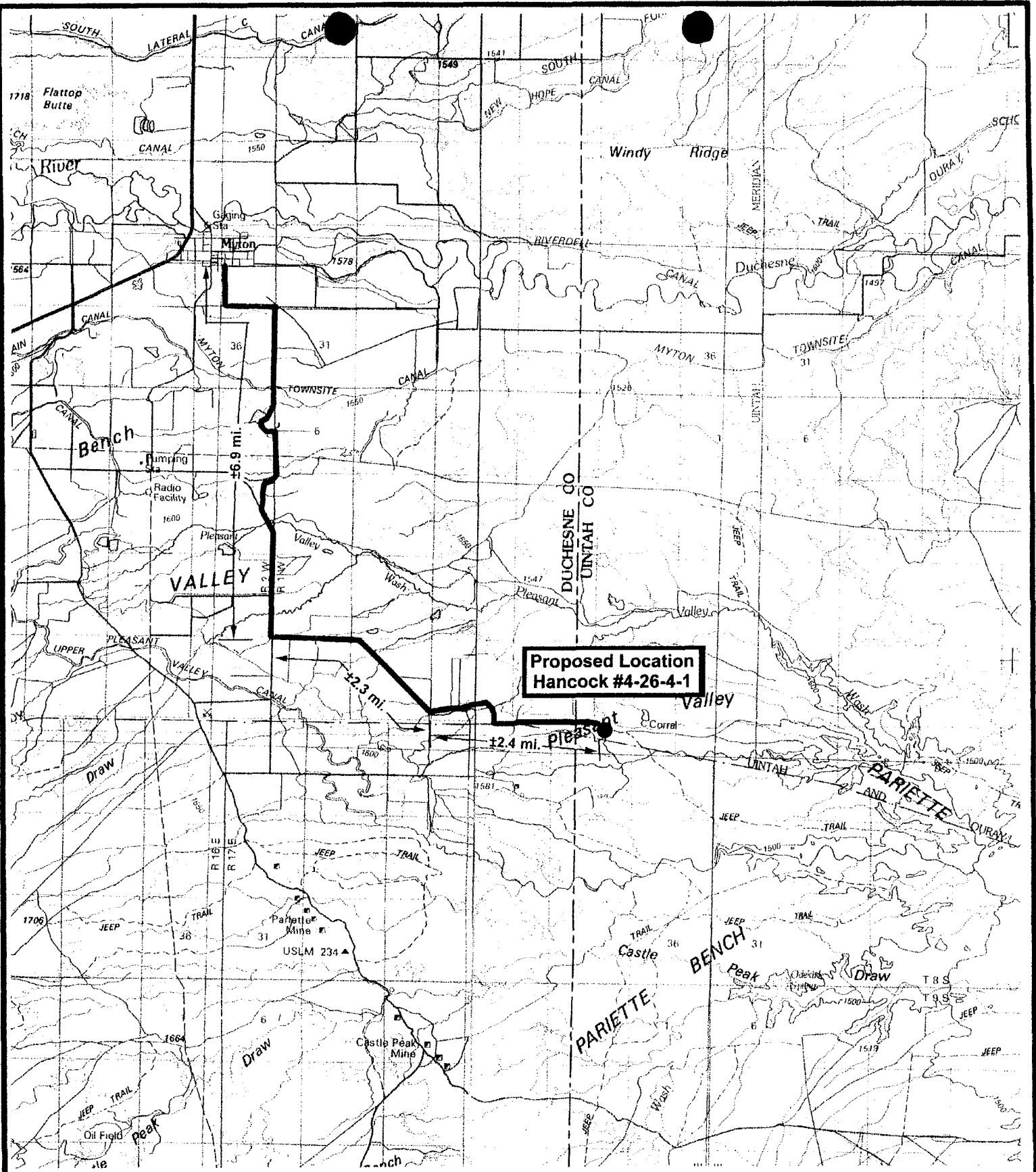
2/13/98

Date



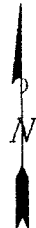
Cheryl Cameron

Regulatory Compliance Specialist

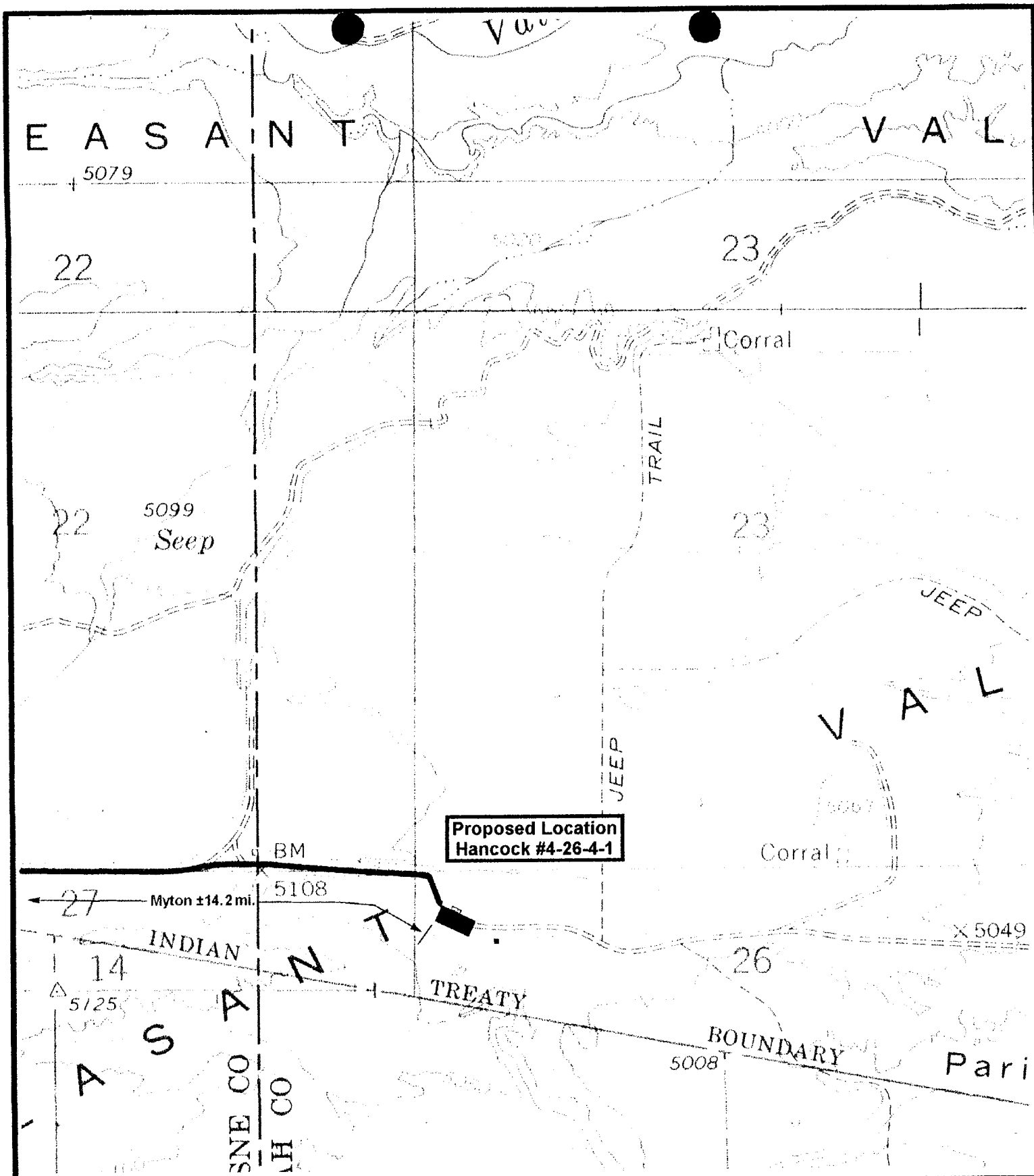


**INLAND PRODUCTION CO.**

**HANCOCK #4-26-4-1  
SEC. 26, T4S, R1W, U.S.M  
TOPO "A"**

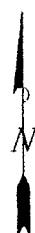


*Tri-State  
Land Surveying Inc.*  
(801) 781-2501  
38 WEST 100 NORTH VERNAL, UTAH 84078



**INLAND PRODUCTION CO.**

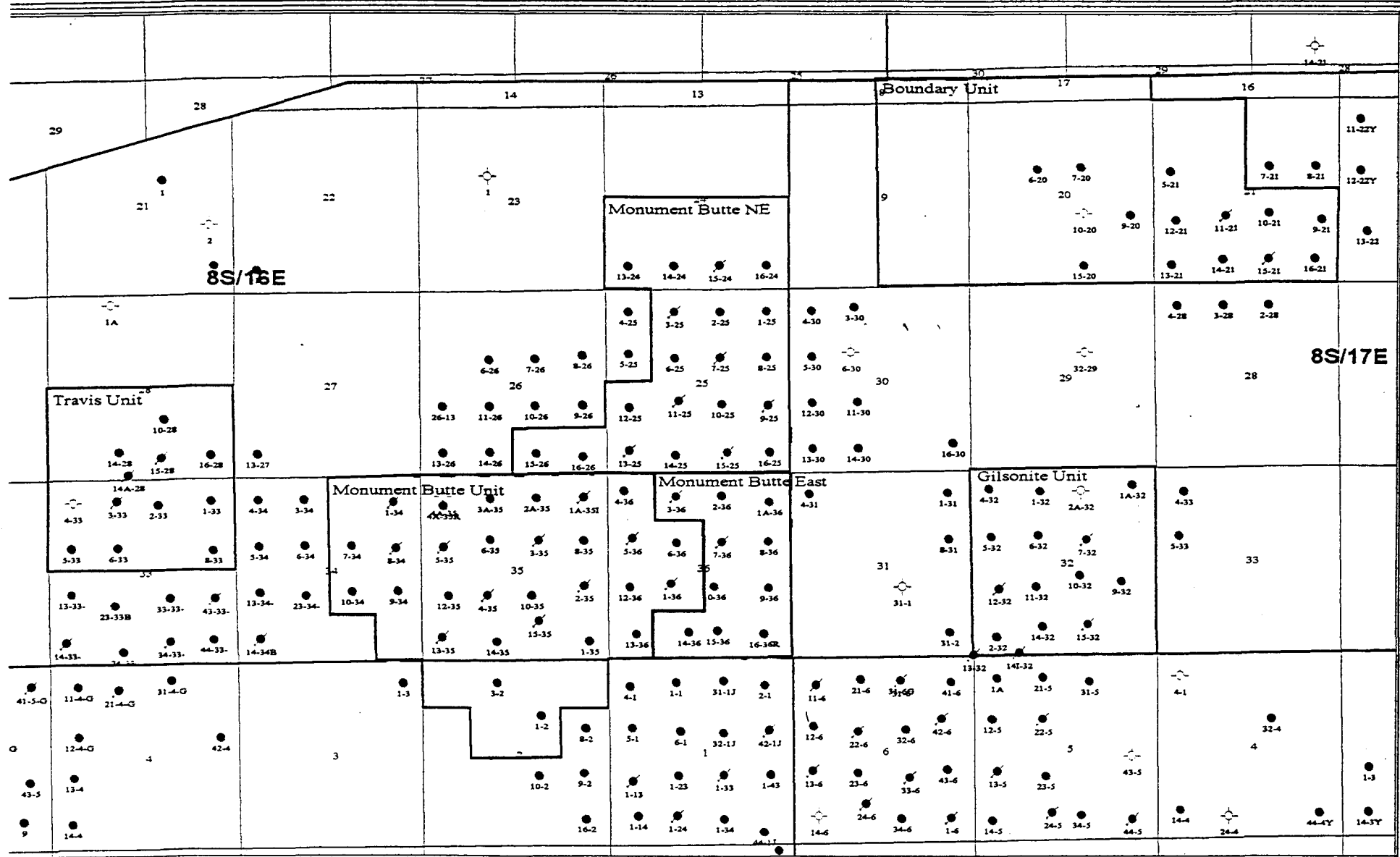
**HANCOCK #4-26-4-1  
SEC. 26, T4S, R1W, U.S.M  
TOPO "B"**




Scale 1" = 1000'

*Tri-State*  
*Land Surveying Inc.*  
(801) 781-2501  
38 WEST 100 NORTH VERNAL, UTAH 84078

# EXHIBIT "C"





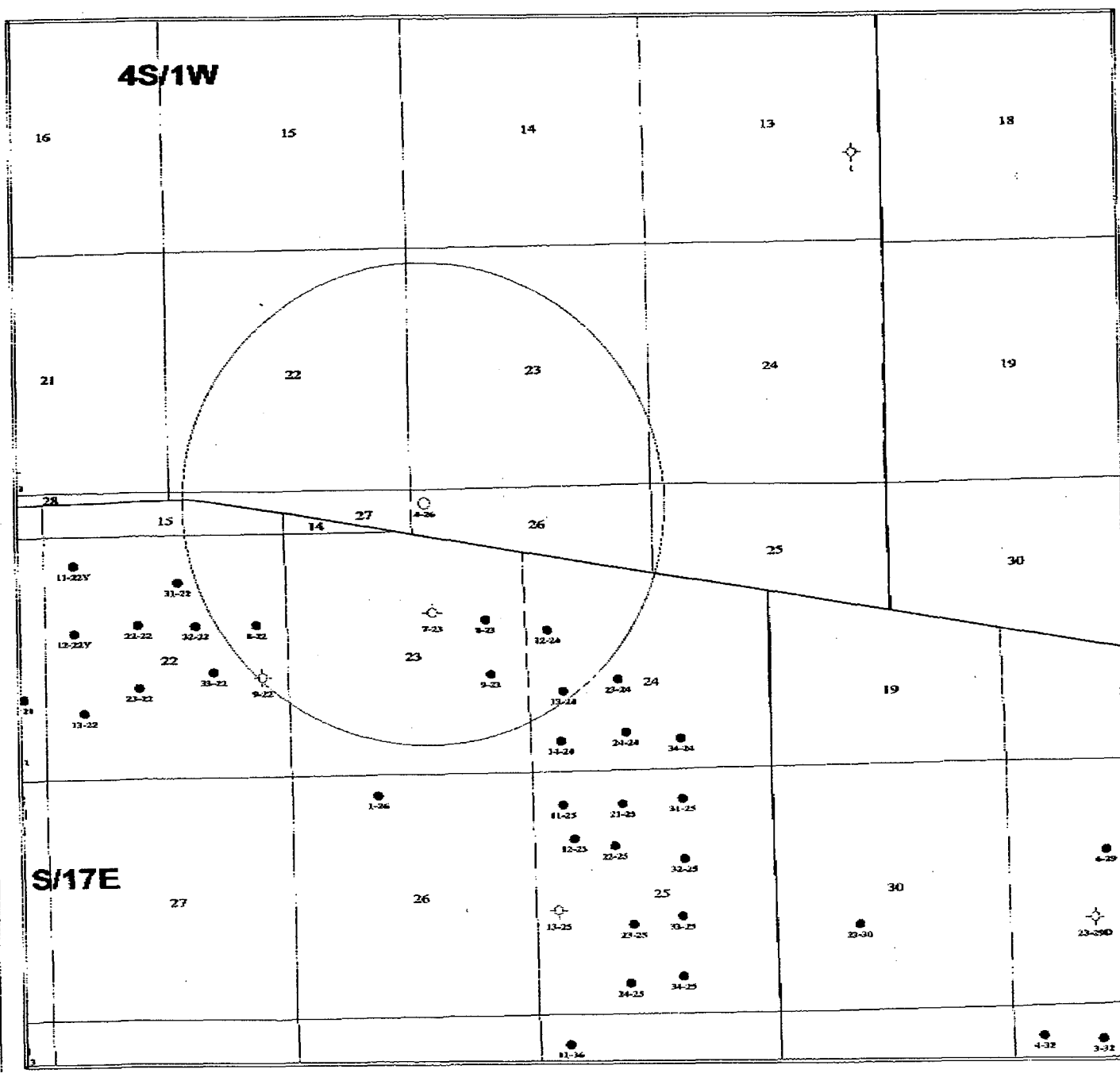
475 17<sup>th</sup> Street, Suite 1500  
 Denver, Colorado 80202  
 Phone: (303) 282-0900

**Regional Area**

Duchesne County, Utah

Date: 4/15/97
J.A.

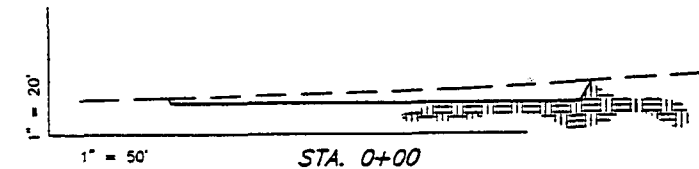
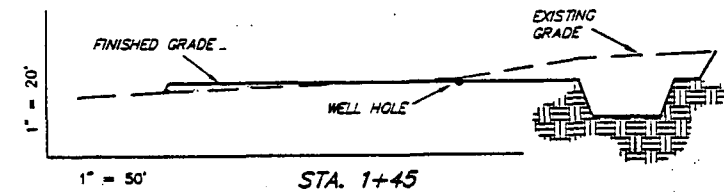
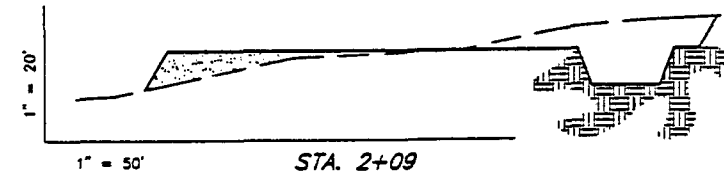
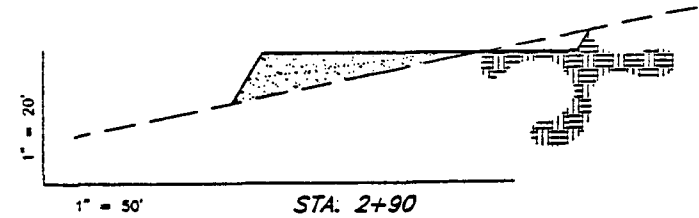
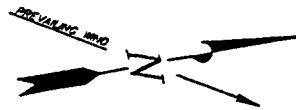
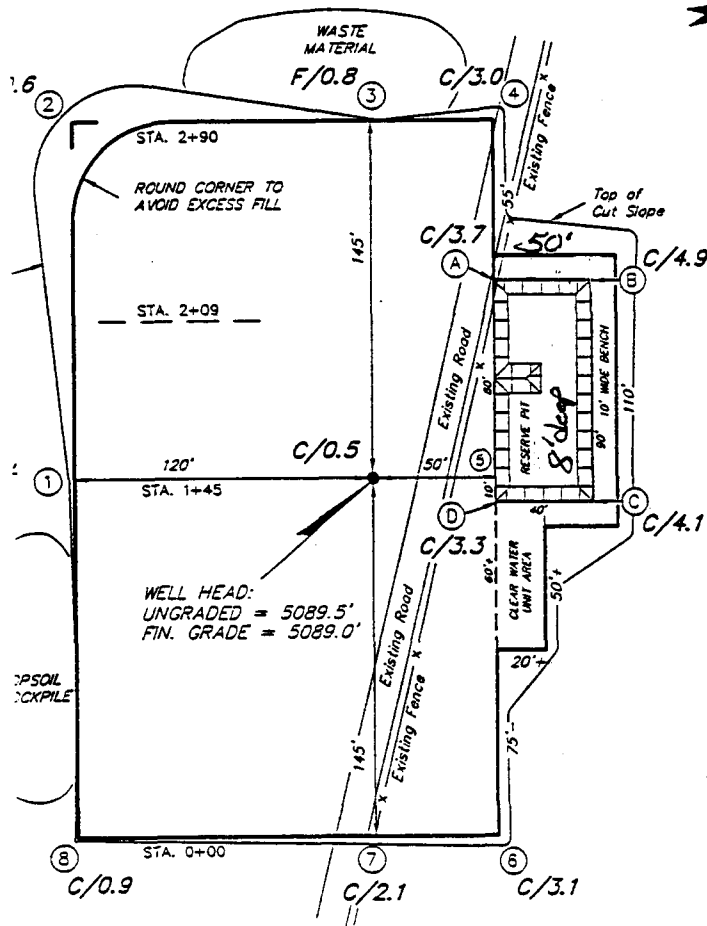
SECTIONAL SURVEY



INLAND PRODUCTION COMPANY		
ONE MILE RADIUS Hancock #4-26		
Field Station		DATE
	Scale 1"=4000' 37"	

# INLAND PRODUCTION COMPANY

HANCOCK #4-26-4-1  
SEC. 26, T42, R1W, U.S.B.&M.



## REFERENCE POINTS

170' SOUTH = 5086.5'  
220' SOUTH = 5083.2'  
195' WEST = 5090.3'  
245' WEST = 5088.3'

## APPROXIMATE YARDAGES

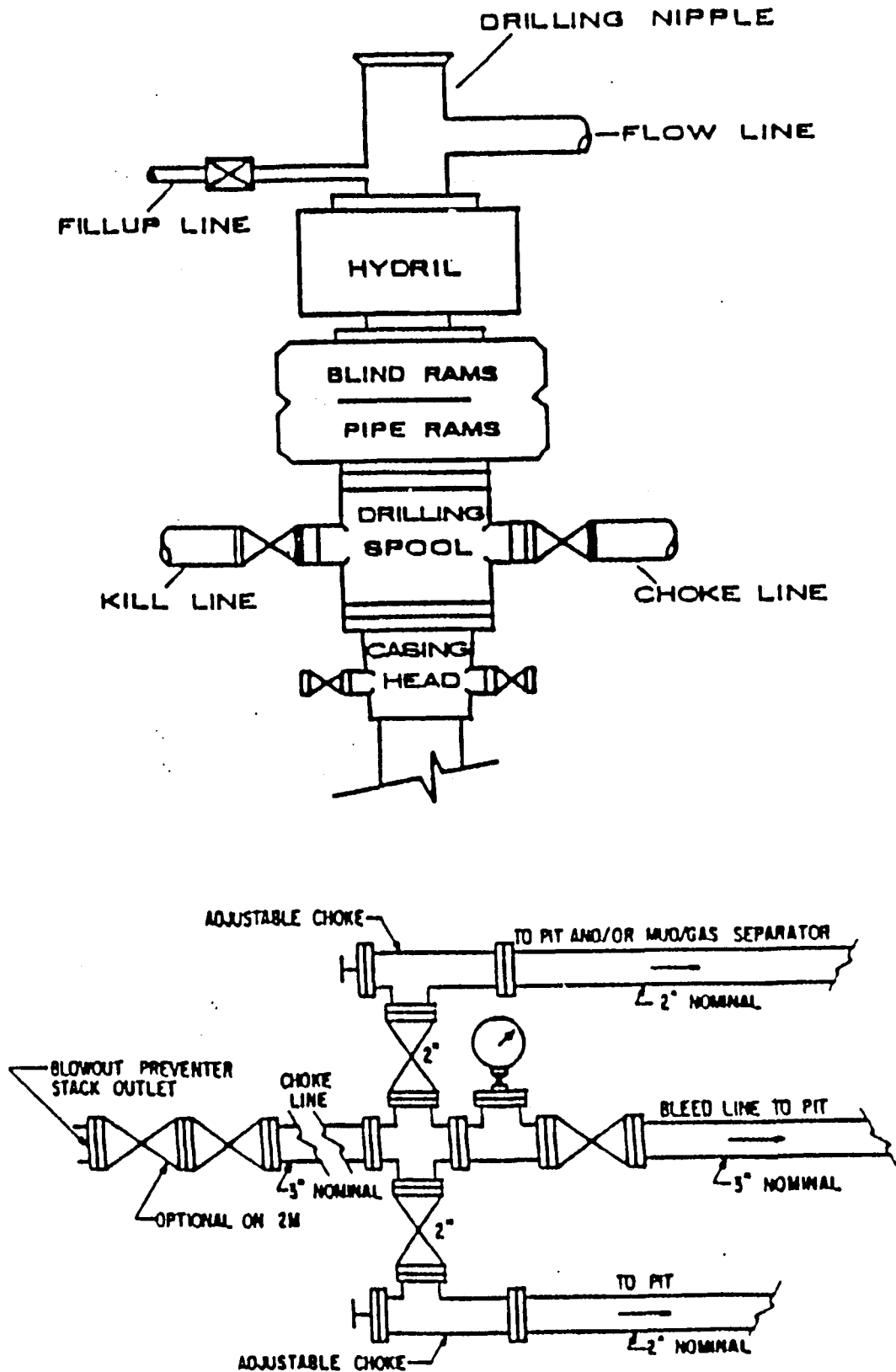
CUT = 2,890 Cu. Yds.  
FILL = 1,850 Cu. Yds.  
PIT = 640 Cu. Yds.  
6" TOPSOIL = 1,030 Cu. Yds.

SURVEYED BY:	DS BG
DRAWN BY:	BRW
DATE:	2/12/98
SCALE:	1" = 50'
FILE:	4-26

**Tri State**  
Land Surveying, Inc.  
1801 781-25.  
28 WEST 100 NORTH 17TH 841

EXHIBIT "E"

## SCHEMATIC DIAGRAM OF 2,000 PSI BOP STACK





WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/17/98

API NO. ASSIGNED: 43-047-33082

WELL NAME: HANCOCK 4-26-4-1  
OPERATOR: INLAND PRODUCTION COMPANY (N5160)

PROPOSED LOCATION:

NWNW 26 - T04S - R01W  
SURFACE: 0377-FNL-0286-FWL  
BOTTOM: 0377-FNL-0286-FWL  
UINTAH COUNTY  
UNDESIGNATED FIELD (002)

LEASE TYPE: FEE  
LEASE NUMBER: PATENTED

PROPOSED PRODUCING FORMATION: GRRV

INSPECT LOCATION BY: 03/10/98

TECH REVIEW	Initials	Date
Engineering	RJK	9-18-98
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Federal[] State[] Fee ☒  
(Number RN-4471290)  
☒ Potash (Y/N)  
☒ Oil shale (Y/N)  
☒ Water permit  
(Number GILSONITE STATE 7-32)  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_)

LOCATION AND SITING:

☒ R649-2-3. Unit: \_\_\_\_\_  
\_\_\_\_ R649-3-2. General.  
☒ R649-3-3. Exception.  
\_\_\_\_ Drilling Unit.  
\_\_\_\_ Board Cause no: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_

COMMENTS: Surf. Owner Fee - Surf. Use Agreement rec'd 2-26-98.  
\* Need add'l info. "Except. Loc". (Rec'd 6-19-98/Patented)

STIPULATIONS: ① STATEMENT OF BASIS



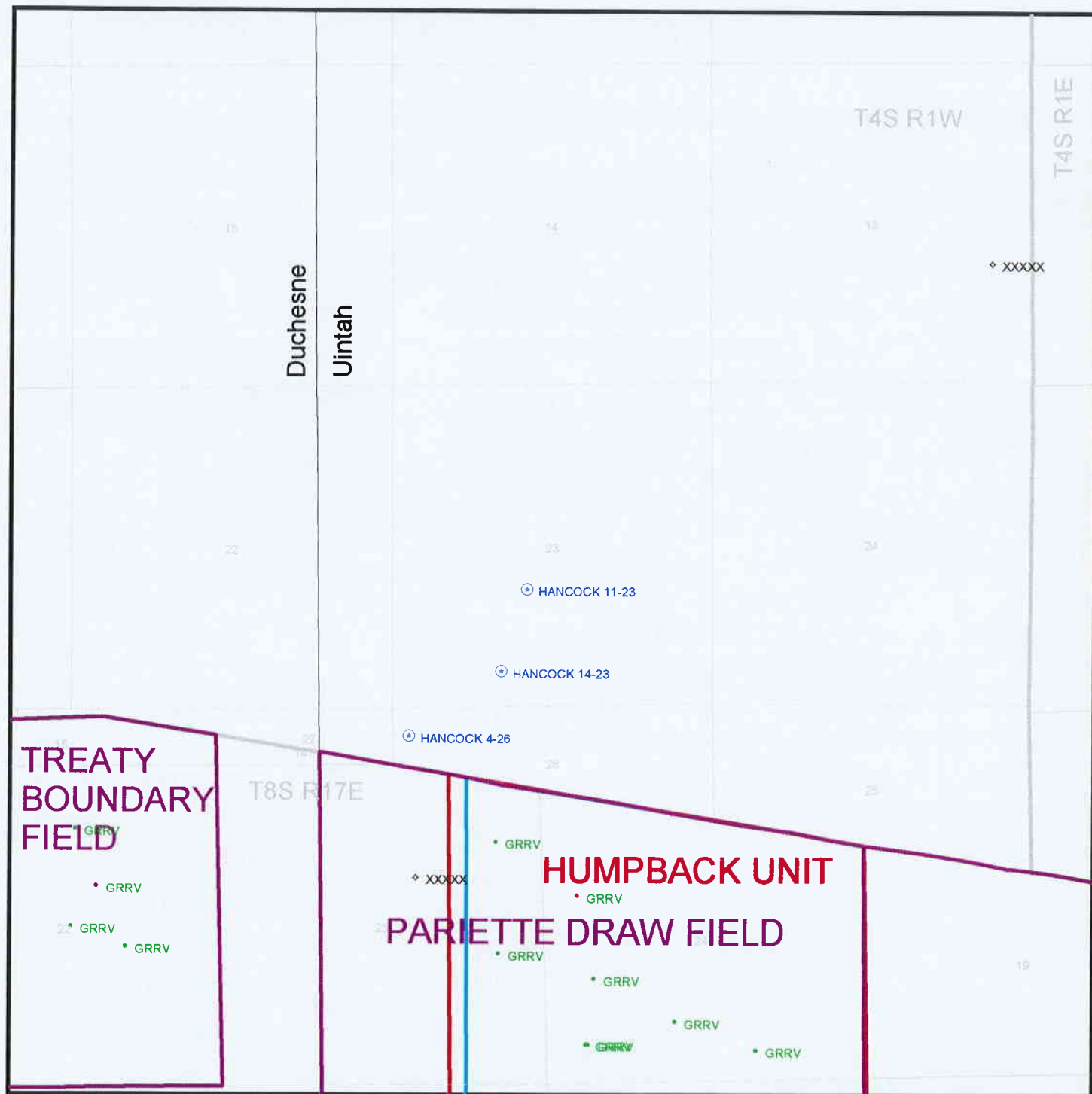
DIVISION OF OIL, GAS & MINING

OPERATOR: INLAND PRODUCTION (N5160)

FIELD: PARIETTE DRAW (698)

SEC. 23 & 26, TWP. 4S, RNG. 1W,

COUNTY: UINTAH UAC: R649-2-3 HUMPBACK SECONDARY



DATE PREPARED:  
18-FEB-1998

# DIVISION OF OIL, GAS AND MINING

## APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

Operator: INLAND PRODUCTION COMPANY

Well Name & Number: HANCOCK 4-26-4-1

API Number: 43-047-33082

Location: 1/4, 1/4 NW/NW Sec. 26 T. 4S R. 1W

### Geology/Ground Water:

According to technical publication number 92 the base of moderately saline water may be very near the surface in this area. High quality water may be present in sands near the surface or in isolated sands in the Uinta Formation. This water is generally seasonal and the sands are generally discontinuous. The proposed casing and cement program will adequately protect and isolate any water encountered.

Reviewer: D.Jarvis

Date: 3-13-98

### Surface:

THE PRE-SITE INVESTIGATION HAS BEEN PERFORMED BY FIELD PERSONNEL ON 3/3/98. THIS SITE IS ON FEE LAND OWNED BY ROLAND JAMES OMAN. TELEPHONE (801)254-7271. MR. OMAN WAS NOTIFIED OF THIS INVESTIGATION ON 2/24/98. HE CHOSE NOT TO ATTEND. THIS SITE IS IN AN AGRICULTURAL AREA USED AS IRRIGATED CORN AND HAY FIELDS. THERE IS AN UNUSED HOUSE 400' EAST OF THIS SITE AND EXCEPTION SPACING REQUESTED BECAUSE OF THIS HOUSE. THERE IS A POWER LINE 250' SOUTH OF SITE.

Reviewer: DAVID W. HACKFORD

Date: 3/4/98

### Conditions of Approval/Application for Permit to Drill:

1. THE RESERVE PIT MUST BE CONSTRUCTED NORTH OF WELL BORE.
2. A 12 MIL RESERVE PIT LINER WILL BE NECESSARY.
3. EXISTING ROAD ACROSS SITE WILL BE REROUTED TO THE NORTH.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: INLAND PRODUCTION COMPANY  
WELL NAME & NUMBER: HANCOCK 4-26-4-1  
API NUMBER: 43-047-33082  
LEASE: FEE FIELD/UNIT: UNDESIGNATED  
LOCATION: 1/4, 1/4 NW/NW Sec: 26 TWP: 4S RNG: 1W 376.5' FNL 285.6' FWL  
LEGAL WELL SITING: 'F SEC. LINE; 'F 1/4, 1/4 LINE; 'F ANOTHER WELL.  
GPS COORD (UTM): NO READING  
SURFACE OWNER: ROLAND JAMES AND YVONNE T. OMAN, LIVING TRUST.

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM)  
BRAD MECHAM (INLAND PRODUCTION CO.)

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS IN AN AGRICULTURAL AREA, RELATIVELY FLAT AND DRAINING TO THE SOUTH. THERE IS AN UNUSED HOUSE 400' SOUTHEAST OF SITE.

**SURFACE USE PLAN**

CURRENT SURFACE USE: FARMING AND LIVESTOCK GRAZING.

PROPOSED SURFACE DISTURBANCE: 290 FEET BY 210 FEET FOR LOCATION AND AN EXISTING ROAD TO THIS SITE WILL BE UPGRADED.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM THE GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: PRODUCTION FACILITIES WILL BE ON LOCATION.

SOURCE OF CONSTRUCTION MATERIAL: MATERIALS WILL BE BORROWED FROM LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO A LANDFILL. ALL HAZARDOUS WASTES WILL BE DISPOSED OF OFFSITE AT AN APPROVED FACILITY.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: TYPICAL IRRIGATED FARM CROPS SUCH AS ALFALFA, CORN AND PASTURE GRASS: DOMESTIC LIVESTOCK, PHEASANTS, RABBITS, DEER, RACCOONS, RODENTS, BIRDS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY LOAM.

SURFACE FORMATION & CHARACTERISTICS: UINTAH FORMATION, SOUTH FLANK OF UINTAH MOUNTAINS.

EROSION/SEDIMENTATION/STABILITY: MINOR EROSION, MINOR SEDIMENTATION, NO STABILITY PROBLEMS ANTICIPATED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 40' BY 90' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN  
AS PER LANDOWNER AGREEMENT.

SURFACE AGREEMENT: SURFACE AGREEMENT HAS BEEN SIGNED.

CULTURAL RESOURCES/ARCHAEOLOGY: AN ARCHAEOLOGICAL INVESTIGATION HAS BEEN CONDUCTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS: ONSITE WAS DONE ON A CLEAR, SUNNY DAY.

ATTACHMENTS

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

3/3/98 8:30 AM  
DATE/TIME

Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200		
75 to 100	5	
25 to 75	10	<u>5</u>
<25 or recharge area	15	
	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	<u>0</u>
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	<u>0</u>
<500	20	
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	<u>0</u>
<300	20	
Native Soil Type		
Low permeability	0	
Mod. permeability	10	<u>10</u>
High permeability	20	
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of		<u>5</u>
hazardous constituents	20	
Drill Cuttings		
Normal Rock	0	<u>0</u>
Salt or detrimental	10	
Annual Precipitation (inches)		
<10	0	
10 to 20	5	<u>0</u>
>20	10	
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	<u>0</u>
>50	10	
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	<u>15</u>
Present	15	

Final Score      35

Well name:

**Inland Hancock 4-26-4-1**Operator: **Inland**  
String type: **Surface**Project ID:  
**43-047-33082**Location: **Uintah Co.****Design parameters:****Collapse**Mud weight: 8.330 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Environment:**H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature 79 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 300 ft**Burst:**

Design factor 1.00

Cement top: Surface

**Burst**Max anticipated surface pressure: 0 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 131 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

**Re subsequent strings:**Next setting depth: 6,500 ft  
Next mud weight: 8.400 ppg  
Next setting BHP: 2,836 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 6,500 ft  
Injection pressure 6,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.55	131	2950	22.53	6	244	38.73 J

Prepared RJK  
by: Department of Natural ResourcesDate: September 18, 1998  
State of Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>Inland Hancock 4-26-4-1</b>	
Operator:	<b>Inland</b>	Project ID:
String type:	<b>Production</b>	<b>43-047-33082</b>
Location:	<b>Uintah Co.</b>	

**Design parameters:**

**Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature 166 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 300 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.433 psi/ft  
Calculated BHP 2,813 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.  
Neutral point: 5,681 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6500	5.5	15.50	J-55	LT&C	6500	6500	4.825	203.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2813	4040	1.44	2813	4812	1.71	88	217	2.46 J

Prepared RJK  
by: Department of Natural Resources

Date: September 18, 1998  
State of Utah

**ENGINEERING STIPULATIONS: NONE**

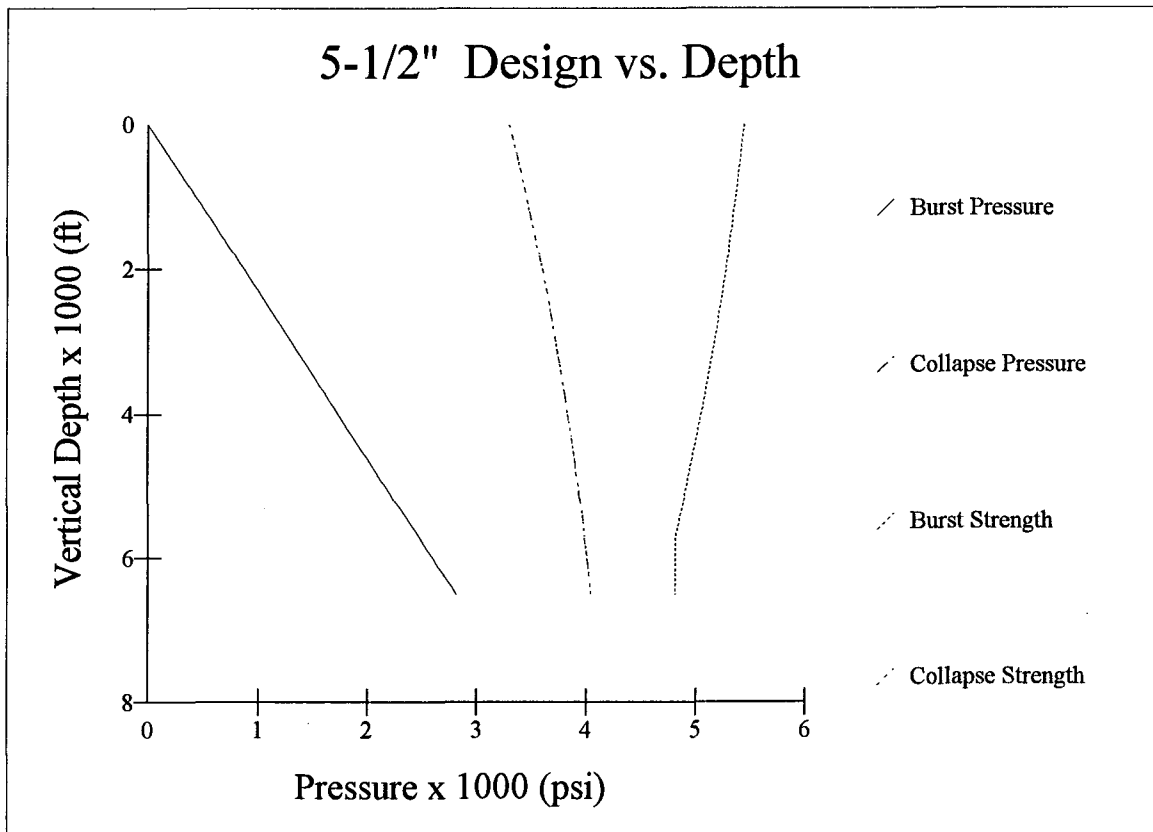
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 6500 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. In addition, burst strength is biaxially adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

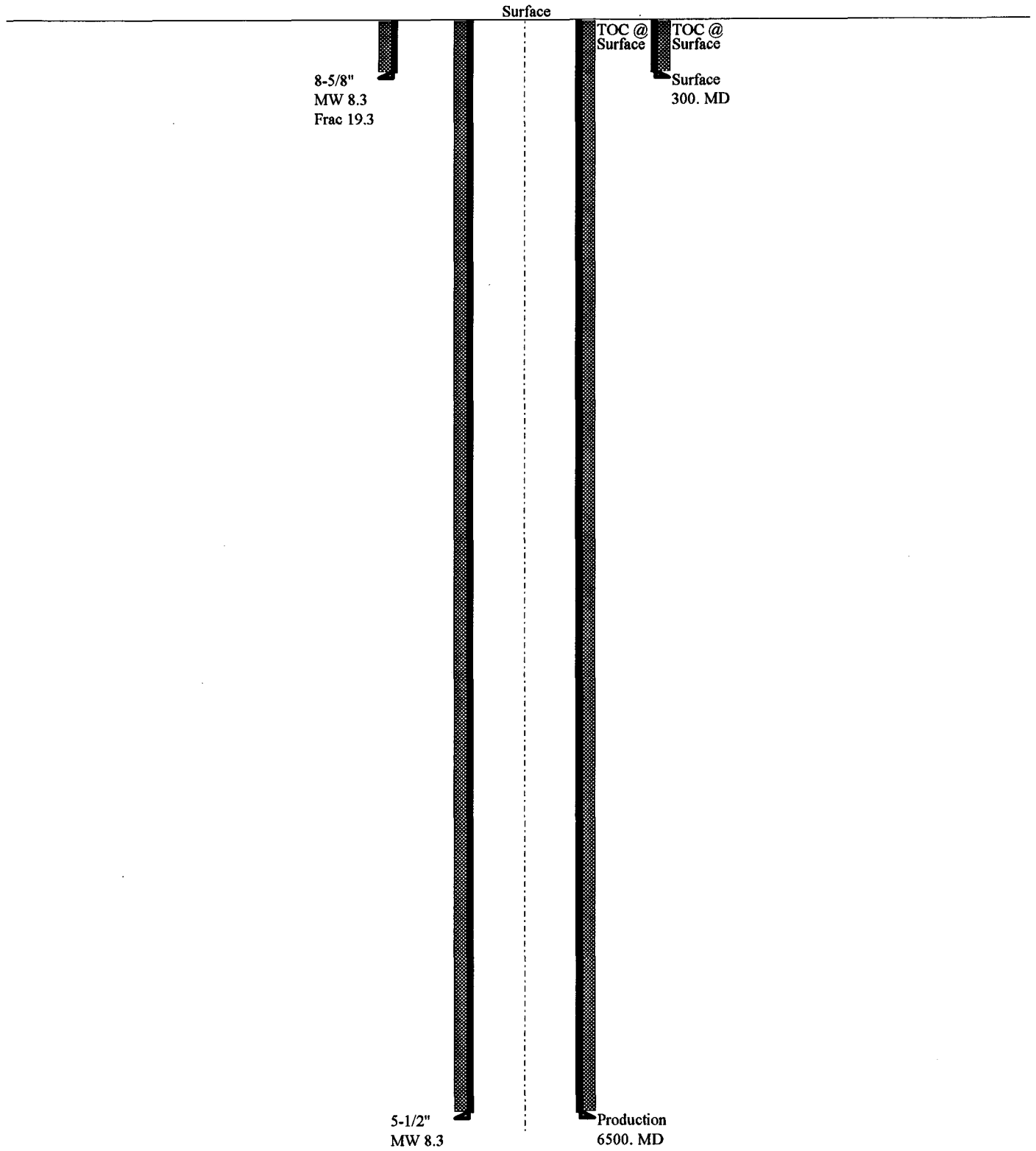


Inland Hancock 4-26-4-1 - Production



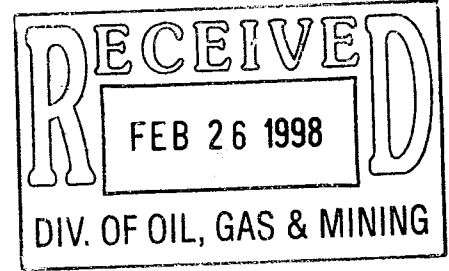
# Inland Hancock 4-26-4-1

## Casing Schematic





February 25, 1998



State of Utah  
Division of Oil, Gas & Mining  
P.O. Box 145801  
1594 West North Temple Suite 1210  
Salt Lake City Utah 84114-5801

**ATTENTION: Mike Hebertson**

<b>RE: Hancock #4-26-4-1</b>	<b>NWNW Lot 4, Sec. 26, T4S, R1W</b>
<b>Hancock #14-23-4-1</b>	<b>SE/SW Sec. 23, T4S, F1W</b>
<b>Hancock #11-23-4-1</b>	<b>NE/SW Sec. 23, T4S, R1W</b>

Dear Mr. Hebertson,

Enclosed is a copy of the Surface Use Agreement, and the Cultural Resource Survey Report, for the above referenced locations. I will submit the information you have requested regarding the exceptional spacing for the Hancock #4-26-4-1, as soon as I receive it from our Land Department.

Please do not hesitate to contact me if you have any questions in the Vernal Branch Office, (435) 789-1866.

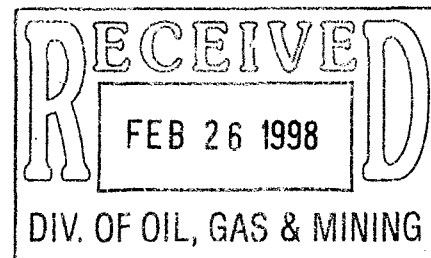
Sincerely,

Cheryl Cameron  
Regulatory Compliance Specialist

/cc  
Enclosures

CULTURAL RESOURCE INVENTORY OF THREE INLAND PRODUCTION'S  
WELL LOCATIONS IN THE PLEASANT VALLEY AREA  
UINTAH COUNTY, UTAH

by  
Keith R. Montgomery



Prepared For:  
State of Utah

Prepared Under Contract With:

Inland Production Company  
475 17th Street  
Suite 1500  
Denver, CO 80202

Prepared By:

Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532

February 12, 1998

United States Department of Interior (FLPMA)  
Permit No. 97-UT-60122

State of Utah Antiquities Project (Survey)  
Permit No. U-98-MQ-0070p

## INTRODUCTION

Cultural resource inventories were conducted for three proposed Inland Production well locations (Hancock 11-23-4-1, Hancock 14-23-4-1, and Hancock 4-26-4-1) and associated access roads. The project area is located on private land in Pleasant Valley, Uintah County, Utah. The survey was performed by Montgomery Archaeological Consultants, Moab, Utah in February, 1998.

The objective of the inventories was to locate, document, and evaluate any cultural or paleontological resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed by Keith R. Montgomery, Principal Investigator for Montgomery Archaeological Consultants under the auspices of U.S.D.I. (FLPMA) Permit No. 97-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-98-MQ-0070p. A file search for previous archaeological projects and documented cultural resources was performed on February 10, 1998 by Renae Weder at the Division of State History, Salt Lake City. The record consultation indicated that no inventories have been completed within the project area. The only previously recorded sites are a few small prehistoric lithic scatters located one mile south of the project area.

A file search for previously documented paleontological resources in the project area was completed in December 1997 by Martha Hayden of the Utah Geological Survey, Salt Lake City. The records indicated no documented paleontological localities in the project area, although there is a potential for fossils in the Uinta Formation.

## DESCRIPTION OF PROJECT AREA

The project area lies in the Pleasant Valley area approximately 8 miles southeast of the town of Myton, Uintah County, Utah. The study area occurs in the Uinta Basin physiographic subdivision of the Colorado Plateau which is a distinctly bowl-shaped geologic structure (Stokes 1986:231). Topographically, the project area consists of broad erosional benches and sandstone outcroppings, dissected by numerous intermittent drainages. The geology is formed by young tertiary age formations overlying Cretaceous formations. Rock outcrops in the area dominated by the Upper Eocene Uinta formation known for its vertebrate fauna of mammals, turtles, crocodilians and fish remains. Plant fossils and animal tracks are also occasionally found in the Uinta Formation. The elevation of the survey area ranges from 5050 to 5100 feet. The primary water source in the area is Pariette Draws Wash, an ephemeral drainage.

The project area occurs within the Upper Sonoran vegetation zone of the Colorado Plateau. The natural vegetation includes greasewood, rabbitbrush, snakeweed, winterfat, sunflower, galleta grass, Russian Olive, and cottonwood. Modern disturbances to the landscape consists of agricultural fields, ditches, roads, and farming activities.

The inventory area consist of three proposed well locations and associated access roads (Figure 1). The legal descriptions for the well locations are presented in Table 1.

Table 1. Inland Production's Thee Proposed Well Location Descriptions.

Well Number	Legal Location	Location at Surface	Access Road
Hancock 11-23-4-1	T4S R1W S23 NE/SW	1990.0' FSL 2177.7' FWL	1700 feet
Hancock 14-23-4-1	T4S R1W S23 SE/SW	655.1' FSL 1781.6' FWL	1700 feet
Hancock 4-26-4-1	T4S R1W S26 NW/NW/NW	376.5' FNL 285.6' FWL	None

### SURVEY METHODOLOGY

An intensive pedestrian survey was performed by the author for this project which is considered 100% coverage. At each of the three proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interiors of the well locations were examined for cultural and paleontological resources by the archaeologist walking parallel transects spaced no more than 10 m (30 feet) apart. The access roads were surveyed to a 100 foot (30 m) width by walking parallel transects along the staked centerline, spaced no more than 10 m (30 feet) apart. Ground visibility varied from poor to good hampered by vegetation cover and plowing. The total acreage surveyed (30 acres well locations and 7.8 acres access roads) was 37.8 acres, all on private land.

### INVENTORY RESULTS AND RECOMMENDATIONS

The inventories of the three proposed Inland Production well locations Hancock 11-23-4-1, Hancock 14-23-4-1, and Hancock 4-26-4-1 resulted in no cultural or paleontological resources. Based on these findings, a determination of "no effect" is recommended for this project pursuant to Section 106, CFR 800.

### REFERENCES CITED

Stokes, William L.

1986

Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

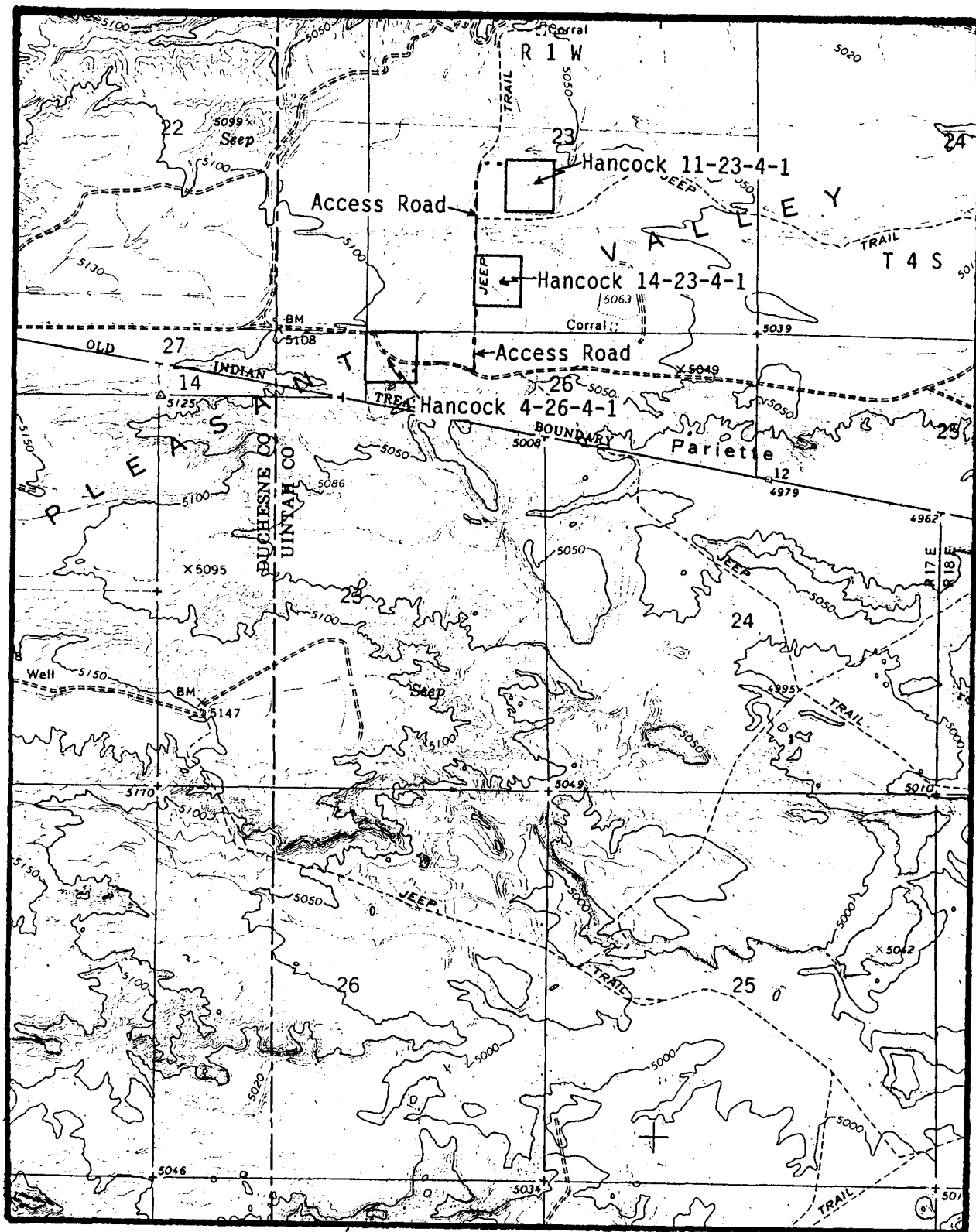


Figure 1. Inland Production's Three Well Locations, Uintah County, Utah. USGS Pariette Draw SW, UT 7.5', 1964. Scale 1:24000.

## **SURFACE USE AGREEMENT**

THIS AGREEMENT, made and entered into by and between Roland James Oman and Yvonne T. Oman Living Trust, parties of the first part, hereinafter collectively referred to as "Owner", of 14340 S 3600 W, Bluffdale, UT 84066, and Inland Production Company, party of the second part, hereinafter referred to as "Inland", of 475 - 17th Street, Suite 1500, Denver, Colorado 80202

### **WITNESSETH:**

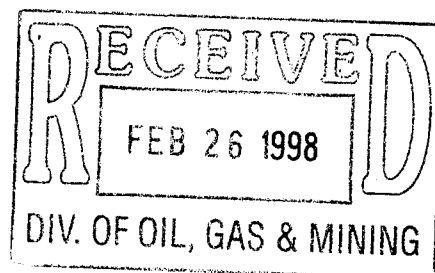
WHEREAS, Owner is the owner in fee of all or a portion of the surface to the following described lands situated in Uintah County, Utah, to-wit:

Township 4 South, Range 1 West, USM  
Section 23: E2SW4, SE4  
Section 26: Lots 1, 4

WHEREAS, the parties desire to settle their dispute on all claims for use of the surface and damage to crops arising from the drilling, completion and production activities and operations, and agree as to the measure of settlement for operations conducted by Inland on surface owned or controlled by Owner, above described, subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. a). For wells located on Owner's land, prior to construction of any drillsite locations, and/or access roads upon the surface of land owned by Owner, Inland shall make a payment to Owner of One Thousand Five Hundred Dollars (\$1,500.00) per acre used by Inland for such drillsite locations and /or access roads. Such payment shall be for the use of the surface and damage to crops and shall cover the year in which such construction occurred. For each drillsite location on Owner's land the total acreage utilized by Inland, including access roads calculated at fifty feet (50') in width, shall not exceed five (5) acres, without written permission being obtained from Owner.  
  
b). Following the year in which the well is drilled, on or before September 15 of each calendar year that Inland's operations continue, Inland shall pay to Owner a sum calculated at the rate of Six Hundred Forty Dollars (\$640.00) per acre for that acreage used by Inland as it pertains to the drillsite location at the wellhead and such land used as an access road. Additionally, in the event Inland constructs a compression station on Owner's land, Inland shall pay Owner Six Hundred Forty Dollars (\$640.00) per acre annually for that acreage used by Inland for said compression station.
2. For pipeline right-of-way construction in which a pipeline is laid through surface owned by Owner, Inland shall make a one-time payment of a sum calculated at a rate of Five Dollars (\$5.00) per running rod. When requested by Owner, pipelines shall be buried below plow depth and surface areas impacted by the construction shall be rehabilitated, including the reseeding of crop land.
3. Owner agrees that upon receipt of the payments provided for in this Agreement for any future wells that may be drilled on surface owned by Owner, Inland shall be released and discharged from any and all claims, demands and losses arising out of such future operations for crop damage, acreage out of cultivation, interruption or interference with agricultural improvements and other claims.
4. For payments to be made and received under this Agreement, Owner agrees to protect, indemnify and save Inland and its employees, agents and contractors free and harmless from and against any and all claims, demands and losses, including costs and attorneys fees, accrued or accruing to Owner, its employees and/or tenants arising directly or indirectly in connection with operations by Inland, its employees, agents and contractors.





5. Following the completion of any well, Inland agrees to promptly clean up and maintain all areas of land continuing to be utilized in connection with oil and gas operations and to pay the cost of reclaiming and rescinding upon cessation of use.
6. Should it become necessary for Inland to cut any existing fence of Owner for construction of a road, Inland shall provide a locking metal gate and cattleguard at such point. Inland agrees to use its best efforts to keep any existing gates of Owner locked and closed during the ongoing course of its operations on Owner's lands, or where it may be necessary to cross Owner's lands.
7. In the event that it becomes necessary to keep Owner's livestock away from any well location, Inland shall, at Owner's request, construct a perimeter fence around such location. Additionally, for a drillsite location in the NE4SW4 of Section 23, T4S-R1W, due to the proximity of such location to Owner's dwelling and access road to said dwelling, Inland agrees to construct a fence, with a locking metal gate, to limit traffic from the drillsite location to Owner's dwelling. This fence may be part of the perimeter fence around said location.
8. Inland agrees to consult Owner regarding the exact location of any well located upon Owner's land. Wherever possible Inland shall move a location within the legal location tolerance dictated by the State of Utah to meet Owner's needs.
9. This Agreement shall be binding upon and shall be for the benefit of the successors and assigns of Owner and Inland whether assigned, devised, bequeathed or otherwise transferred in whole or part by either of the parties hereto. The conditions herein contained shall be covenants running with the land.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the  
30th day of January, 1998.

**SURFACE OWNERS:**

**ROLAND JAMES OMAN AND YVONNE T. OMAN  
LIVING TRUST**

Roland James Oman  
Yvonne T Oman

**INLAND PRODUCTION COMPANY**

Chris A Potter  
Chris A Potter, Attorney-in-Fact

Surface Only  
Prospect/Unit name  
Lease NO. \_\_\_\_\_

HIGH PLAINS



ASSOCIATES, INC.

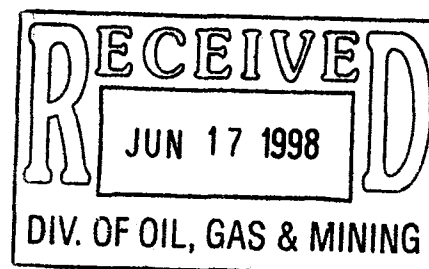
1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

May 5, 1998

Dorothy Christie Marques, Trustee  
10771 Black Mountain Road  
San Diego, CA 92126

RE: Request for Location Exception  
Hancock # 4-26-4-1 Well  
285.6' FWL and 376.5' FNL  
Lot 4 of Section 26 - T4S - R1W  
Uintah County, Utah



Dear Ms. Marques,

Enclosed is a copy of the survey plat for the above-mentioned well. On behalf of Inland Production Company we are requesting an exception location for this well. Due to topographic considerations, it was necessary to locate the well 285.6 feet from the west lease line and 376.5 feet from the north lease line. The minimum distance required under Utah Department of Oil, Gas and Mining Regulation R649-3-2-1 is 460 feet.

As an unleased mineral interest owner within one-half mile radius of the well location, in order to be in compliance with the state regulations, we request your trust's approval to our 174.4' x 83.5' spacing exception location. If you consent to the captioned location, please sign and date this letter in the space provided below and return it to me in the enclosed envelope. Please keep the other copy for your records.

If you have any questions, or if you have an objection, please contact me, collect if you prefer, at (303) 830-0888, ex 22. Thank you very much for your consideration.

Sincerely yours,

HIGH PLAINS ASSOCIATES, INC.

*Bob Annear*  
Bob Annear

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 1998

\_\_\_\_\_  
Dorothy Christie Marques, Trustee

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

DOROTHY CHRISTIE  
MARQUES  
10771 BLACK MT RD.  
SAN DIEGO, CA 92124

4a. Article Number

P 526 423 529

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5-16-98

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

X!

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

**HIGH PLAINS**



**ASSOCIATES, INC.**

1557 Ogden  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

May 5, 1998

John D. Chasel  
Chasel Energy  
2285 Lucky John Drive  
Park City, UT 84060

RE: Request for Location Exception  
Hancock # 4-26-4-1 Well  
285.6' FWL and 376.5' FNL  
Lot 4 of Section 26 - T4S - R1W  
Uintah County, Utah

Dear Mr. Chasel,

Enclosed is a copy of the survey plat for the above-mentioned well. On behalf of Inland Production Company we are requesting an exception location for this well. Due to topographic considerations, it was necessary to locate the well 285.6 feet from the west lease line and 376.5 feet from the north lease line. The minimum distance required under Utah Department of Oil, Gas and Mining Regulation R649-3-2-1 is 460 feet.

As a working owner within one-half mile radius of the well location, in order to be in compliance with the state regulations, we request your approval to our 174.4' x 83.5' spacing exception location. If you consent to the captioned location, please sign and date this letter in the space provided below and return it to me in the enclosed envelope. Please keep the other copy for your records.

If you have any questions, or if you have an objection, please contact me, collect if you prefer, at (303) 830-0888, ex 22. Thank you very much for your consideration.

Sincerely yours,

**HIGH PLAINS ASSOCIATES, INC.**

*Bob Annear*  
Bob Annear

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 1998

Chasel Energy

\_\_\_\_\_  
John D. Chasel  
Title:

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

JOHN D. CHASEL  
CHASEL ENERGY  
2285 LUCKY JOHN DR.  
PARK CITY, UT 84060

4a. Article Number

P 526 423 530

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5-16-98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature

X

PS Form 381

NOTE - SIGNATURE MASKED BY TAPE  
ON ORIGINAL RECEIPT.

Thank you for using Return Receipt Service.

# HIGH PLAINS



ASSOCIATES, INC.

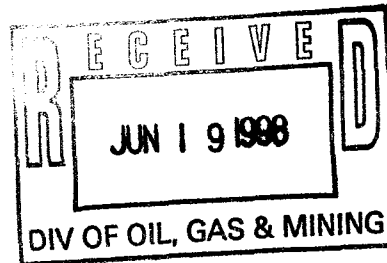
1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

June 15, 1998

Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, ut 84114

RE: Application for Location Exception  
Hancock #4-26-4-1  
Lot 4 -26-T4S-R1W  
Uintah County, Utah



Ladies and Gentlemen,

On behalf of Inland Production Company, operator of the proposed captioned well, we hereby request administrative approval for a location exception to Rule R649-3-2, which governs the location of wells in the State of Utah.

The location of wells under the referenced Rule should be in the center of a 40 acre quarter/quarter section with a 200 foot tolerance. Inland's proposed well is planned to be drilled at a location in Lot 4 of Section 26 outside the 40 acre window in a location that is 376.5' FNL and 285.6 feet FWL. Please see copy of survey plat enclosed. This location is necessary as a result of topographic considerations.

Inland owns all the working interest within the 460 foot radius of the proposed well location except as described on the enclosed Addendum.


Enclosed for your review is the following documentation:

- (1) Survey Plat as referenced above;
- (2) Addendum showing unleased or unapproved interests;
- (3) Various letters to the owners on the Addendum;
- (4) Affidavit stating that Inland is the only working interest owner, other than the unleased interests, within a 460 foot radius of the proposed location;
- (5) Plat depicting off-set locations within a one-half mile radius of the proposed location

Please approve the exception location as proposed. Should you have any questions or comments, please contact me at (303) 830-0888, ex 22. Thank you.

Sincerely yours,

HIGH PLAINS ASSOCIATES, INC.

  
Bob Annear

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

- (1) I am a consulting landman with High Plains Associates, Inc.;
- (2) I am familiar with the matters set forth in the Application for Exception Location for the Hancock #4-26-4-1 well, located in Section 26-T4S-R1W, Uintah County, Utah;
- (3) On behalf of Inland Production Company, I caused a search to be conducted of the pertinent land records of Uintah County, Utah, the Bureau of Land Management, and the Bureau of Indian Affairs involving the lands described in the Application for Exception Location and the lands within 460 feet and/or directly or diagonally offsetting thereof;
- (4) Inland Production Company is the only lessee within the area of review and all mineral owners are subject to leases now held by Inland, except as provided on attached Addendum.

Dated this 15<sup>th</sup> day of June, 1998.

Rowland Jones

On this 15<sup>th</sup> day of June, 1998, personally appeared before me Robert D. Annear, who duly acknowledged to me under oath that the statements contained in the foregoing instrument are true and correct to the best of his knowledge and belief

Lynne A. McBride  
Notary Public

LYNN A. McBRIDE  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires Feb. 11, 2001

## ADDENDUM

Hancock 4-26-4-1 (Lot 4 of Sec 26-T4S-R1W, Uintah County, Utah)

The following lands and interests directly or diagonally off-setting the captioned proposed location are not leased or controlled by Inland Production Company:

<u>Owner/Address</u>	<u>Interest</u>	<u>Status</u>
<b>T4S-R1W-Section 22: E ½SE, Section 23: W½ SW</b>		
Steven A. Malnar P. O. Box 1030 Roosevelt, UT 84066	6.25%	Unleased
Sam Oil Inc. Steven A. Malnar, President P. O. Box 1030 Roosevelt, UT 84066	3.125%	Unleased
✓ Laurine Perez 35 N. Vista De Catalina South Laguna, CA 92671	3.125%	Unleased – See executed approval letter enclosed
Kenneth J. Young Address unknown	3.125%	Unleased – no address
Margie W. Cleary 8018 McHenry Modesto, CA 95356	3.125%	Unleased – see unsigned letter sent to last known address
Dorothy C. Marquest, Trustee 10771 Black Mountain Road San Diego, CA 92126	1.5625%	Unleased – see signed Receipt evidencing receipt of letter
<b>T4S-R1W-26: Lot 3</b>		
✓ John D. Chasel 2285 Lucky John Drive Park City, UT 84060	38.697341% WI	Leased – see signed Receipt evidencing receipt of letter



**HIGH PLAINS**



**ASSOCIATES, INC.**

1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

May 5, 1998

Laurine Perez  
35 N. Vista De Catalina  
South Laguna, CA 92671

RE: Request for Location Exception  
Hancock # 4-26-4-1 Well  
285.6' FWL and 376.5' FNL  
Lot 4 of Section 26 - T4S - R1W  
Uintah County, Utah

Dear Ms. Perez,

Enclosed is a copy of the survey plat for the above-mentioned well. On behalf of Inland Production Company we are requesting an exception location for this well. Due to topographic considerations, it was necessary to locate the well 285.6 feet from the west lease line and 376.5 feet from the north lease line. The minimum distance required under Utah Department of Oil, Gas and Mining Regulation R649-3-2-1 is 460 feet.

As an unleased mineral interest owner within one-half mile radius of the well location, in order to be in compliance with the state regulations, we request your approval to our 174.4' x 83.5' spacing exception location. If you consent to the captioned location, please sign and date this letter in the space provided below and return it to me in the enclosed envelope. Please keep the other copy for your records.

If you have any questions, or if you have an objection, please contact me, collect if you prefer, at (303) 830-0888, ex 22. Thank you very much for your consideration.

Sincerely yours,

**HIGH PLAINS ASSOCIATES, INC.**

*Bob Annear*  
Bob Annear

Accepted and Agreed to this 20 day of may, 1998

*Laurine Perez*  
Laurine Perez

Completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

LAURINE PEREZ  
35 N. VISTA DE CATALINA  
SOUTH LAGUNA, CA  
92671

4a. Article Number

P 526

4b. Service Type

- ☐ Registered  
☐ Express Mail  
☐ Return Receipt for Merchandise

- ☒ Certified  
☐ Insured  
☐ COD

7. Date of Delivery

5-21-98

5. Received By: (Print Name)

L. Perez

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Re

PS Form 3811, December 1994

Domestic Return Receipt



1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

May 5, 1998

Margie W. Cleary  
8018 McHenry  
Modesto, CA 95356

RE: Request for Location Exception  
Hancock # 4-26-4-1 Well  
285.6' FWL and 376.5' FNL  
Lot 4 of Section 26 - T4S - R1W  
Uintah County, Utah

Dear Ms. Cleary,

Enclosed is a copy of the survey plat for the above-mentioned well. On behalf of Inland Production Company we are requesting an exception location for this well. Due to topographic considerations, it was necessary to locate the well 285.6 feet from the west lease line and 376.5 feet from the north lease line. The minimum distance required under Utah Department of Oil, Gas and Mining Regulation R649-3-2-1 is 460 feet.

As an unleased mineral interest owner within one-half mile radius of the well location, in order to be in compliance with the state regulations, we request your approval to our 174.4' x 83.5' spacing exception location. If you consent to the captioned location, please sign and date this letter in the space provided below and return it to me in the enclosed envelope. Please keep the other copy for your records.

If you have any questions, or if you have an objection, please contact me, collect if you prefer, at (303) 830-0888, ex 22. Thank you very much for your consideration.

Sincerely yours,

HIGH PLAINS ASSOCIATES, INC.

*Bob Annear*  
Bob Annear

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 1998

\_\_\_\_\_  
Margie W. Cleary

CERTIFIED

HIGH PLAINS

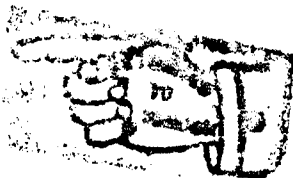


ASSOCIATES, INC.

Z 129 826 792

MAIL

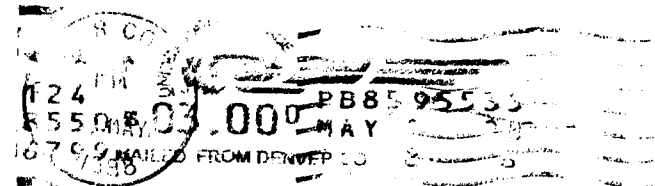
1557 Ogden Street  
Suite 300  
Denver, Colorado 80218



FORWARDING & ADDRESS CORRECTION REQUESTED

Margie W. Cleary  
8018 McHenry  
Modesto, CA 95356

UNDELIVERABLE AS  
ADDRESSED  
PLEASE RE-FORWARD



*For file  
PM 9/20/98*

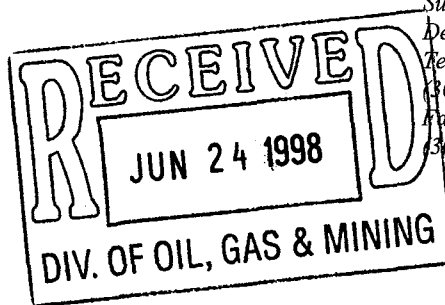
HIGH PLAINS



ASSOCIATES, INC.

1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201



June 22, 1998

Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

**RE:   Application for Location Exception  
        Hancock 4-26-4-1 Well  
        Lot 4 of Section 26 \_ T4S-R1W  
        Uintah County, Utah**


Gentlemen,

As referenced in my Exception Location Application dated June 15, 1998, enclosed is a copy of an approval letter executed by John D. Chasel, owner of Chasel Energy covering its leasehold interest offsetting the captioned proposed well location.

Please call with questions or comments to (303) 830-0888, ex 22. Thank you.

Sincerely yours,

**HIGH PLAINS ASSOCIATES, INC.**

  
Bob Annear

**HIGH PLAINS**



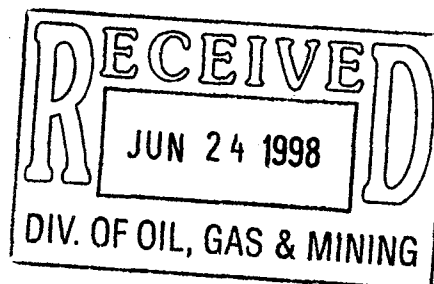
**ASSOCIATES, INC.**

1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

May 5, 1998

John D. Chasel  
Chasel Energy  
2285 Lucky John Drive  
Park City, UT 84060



RE: Request for Location Exception  
Hancock # 4-26-4-1 Well  
285.6' FWL and 376.5' FNL  
Lot 4 of Section 26 - T4S - R1W  
Uintah County, Utah

Dear Mr. Chasel,

Enclosed is a copy of the survey plat for the above-mentioned well. On behalf of Inland Production Company we are requesting an exception location for this well. Due to topographic considerations, it was necessary to locate the well 285.6 feet from the west lease line and 376.5 feet from the north lease line. The minimum distance required under Utah Department of Oil, Gas and Mining Regulation R649-3-2-1 is 460 feet.

As a working owner within one-half mile radius of the well location, in order to be in compliance with the state regulations, we request your approval to our 174.4' x 83.5' spacing exception location. If you consent to the captioned location, please sign and date this letter in the space provided below and return it to me in the enclosed envelope. Please keep the other copy for your records.

If you have any questions, or if you have an objection, please contact me, collect if you prefer, at (303) 830-0888, ex 22. Thank you very much for your consideration.

Sincerely yours,

**HIGH PLAINS ASSOCIATES, INC.**

*Bob Annear*  
Bob Annear

Accepted and Agreed to this 17 day of JUNE, 1998

Chasel Energy

*John D. Chasel*  
John D. Chasel  
Title: OWNER

# VanCott

THE LAW OFFICES OF  
VAN COTT, BAGLEY, CORNWALL & MCCARTHY

50 South Main Street, Suite 1800  
Post Office Box 45340  
Salt Lake City, Utah 84145-0340  
Telephone (801) 532-3333  
Facsimile (801) 534-0058

DATE 8-27TIME           OPERATOR T.J.To Dan JarvisTelecopy No. 359-3940Confirmation No.                     From Thomas W. ClawsonRe                     Total Pages (including this page) 6Date 8-27-98Client InlandClient/Matter Nos. 18639-60553

The information transmitted by this facsimile is considered attorney privileged and confidential and is intended only for the use of the individual or entity named. If the reader of this message is not the intended recipient, you should be aware that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and destroy this facsimile. Thank you.

## HIGH PLAINS



ASSOCIATES, INC.

1557 Ogden Street  
Suite 300  
Denver, Colorado 80218  
Telephone  
(303) 830-0888  
Facsimile  
(303) 830-2818

405 Ross Avenue  
Gillette,  
Wyoming 82716  
Telephone  
(307) 686-1655  
Facsimile  
(307) 686-1201

June 15, 1998

Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, ut 84114

RE: Application for Location Exception  
Hancock #4-26-4-1  
Lot 4 -26-T4S-R1W  
Uintah County, Utah

Ladies and Gentlemen,

On behalf of Inland Production Company, operator of the proposed captioned well, we hereby request administrative approval for a location exception to Rule R649-3-2, which governs the location of wells in the State of Utah.

The location of wells under the referenced Rule should be in the center of a 40 acre quarter/quarter section with a 200 foot tolerance. Inland's proposed well is planned to be drilled at a location in Lot 4 of Section 26 outside the 40 acre window in a location that is 376.5' FNL and 285.6 feet FWL. Please see copy of survey plat enclosed. This location is necessary as a result of topographic considerations.

Inland owns all the working interest within the 460 foot radius of the proposed well location except as described on the enclosed Addendum.

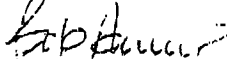
Enclosed for your review is the following documentation:

- (1) Survey Plat as referenced above;
- (2) Addendum showing unleased or unapproved interests;
- (3) Various letters to the owners on the Addendum;
- (4) Affidavit stating that Inland is the only working interest owner, other than the unleased interests, within a 460 foot radius of the proposed location;
- (5) Plat depicting off-set locations within a one-half mile radius of the proposed location

Please approve the exception location as proposed. Should you have any questions or comments, please contact me at (303) 830-0888, ex 22. Thank you.

Sincerely yours,

HIGH PLAINS ASSOCIATES, INC.

  
Bob Annear



T4S, R1W, U.S.B.&M.

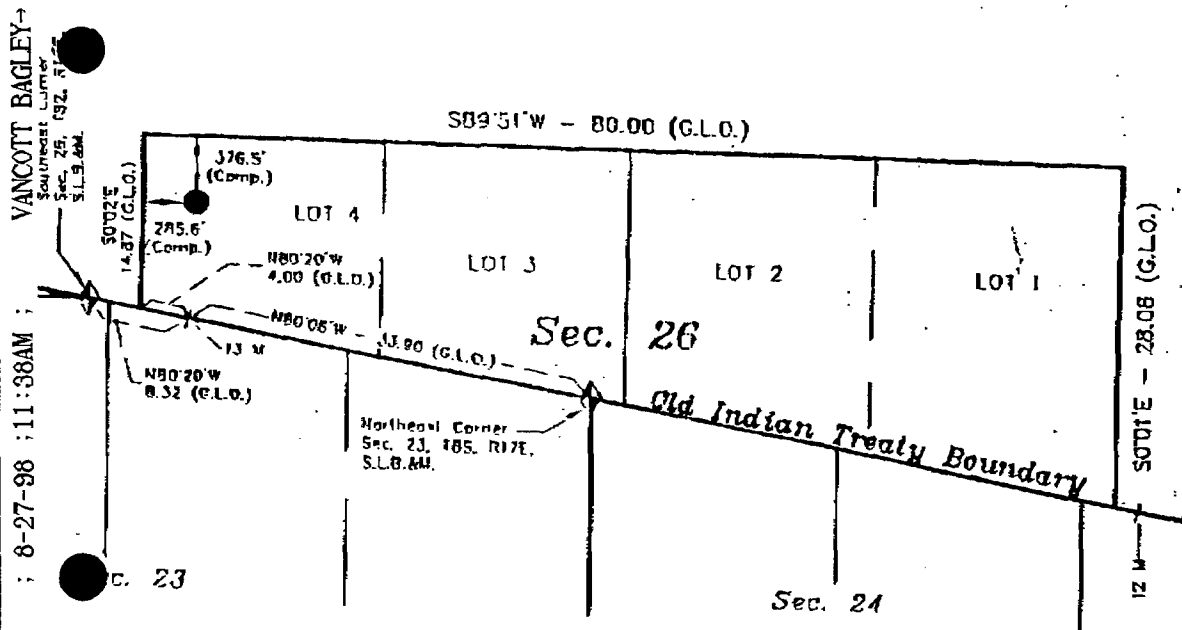
WELL LOCATION:

HANCOCK #4-26-4-1

ELEV. UNGRADED GROUND = 5089.5'

INLAND PRODUCTION COMPANY

WELL LOCATION, HANCOCK  
#4-26-4-1, LOCATED AS SHOWN IN  
LOT 4 OF SECTION 26, T4S, R1W,  
U.S.B.&M. UTAH COUNTY, UTAH.



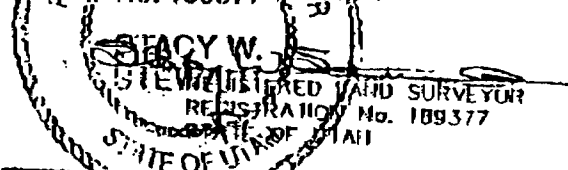
NOTES:

1. THE WELL LOCATION BEARS N64°37'41\"W  
2416.43' FROM THE NORTHEAST CORNER  
OF SECTION 23, T8S, R17E, S.L.B.&M.

SECTION CORNERS LOCATED

BASIS OF ELEV: U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078  
(801) 781-2501

SCALE: 1" = 1000'

SURVEYED BY: DS DG

DATE: 2/11/98

WEATHER:

NOTES:

FILE # 4-26



ONE HALF MILE RADIUS  
Flamcock #4-26

## References

१२५१ ई. संवत् १९१३

**AFFIDAVIT**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

Robert D. Annear, being of legal age, upon oath, states as follows:

- (1) I am a consulting landman with High Plains Associates, Inc.;
- (2) I am familiar with the matters set forth in the Application for Exception Location for the Hancock #4-26-4-1 well, located in Section 26-T4S-R1W, Uintah County, Utah;
- (3) On behalf of Inland Production Company, I caused a search to be conducted of the pertinent land records of Uintah County, Utah, the Bureau of Land Management, and the Bureau of Indian Affairs involving the lands described in the Application for Exception Location and the lands within 460 feet and/or directly or diagonally offsetting thereof;
- (4) Inland Production Company is the only lessee within the area of review and all mineral owners are subject to leases now held by Inland, except as provided on attached Addendum.

FURTHER AFFLANT SAYETH NOT.

Dated this 15<sup>th</sup> day of June, 1998.

Rowland Sweet

Robert D. Annear

On this 15<sup>th</sup> day of June, 1998, personally appeared before me Robert D. Annear, who duly acknowledged to me under oath that the statements contained in the foregoing instrument are true and correct to the best of his knowledge and belief.

**My Commission expires:**

Lynn A. McBride  
Notary Public

LYNN A. MCBRIDE  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires Feb. 11, 2001

## ADDENDUM

Hancock 4-26-4-1 (Lot 4 of Sec 26-T4S-R1W, Uintah County, Utah)

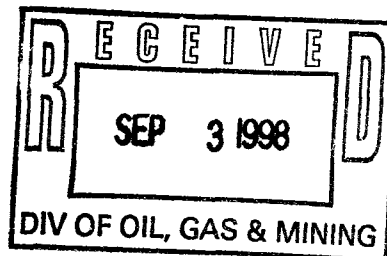
The following lands and interests directly or diagonally off-setting the captioned proposed location are not leased or controlled by Inland Production Company:

<u>Owner/Address</u>	<u>Interest</u>	<u>Status</u>
T4S-R1W-Section 22: E 1/4SE, Section 23: W1/2 SW		
Steven A. Malnar P. O. Box 1030 Roosevelt, UT 84066	6.25%	Unleased
Sam Oil Inc. Steven A. Malnar, President P. O. Box 1030 Roosevelt, UT 84066	3.125%	Unleased
Laurine Perez 35 N. Vista De Catalina South Laguna, CA 92671	3.125%	Unleased - See executed approval letter enclosed
Kenneth J. Young Address unknown	3.125%	Unleased - no address
Margie W. Cleary 3018 McHenry Modesto, CA 95356	3.125%	Unleased - see unsigned letter sent to last known address
Dorothy C. Marquest, Trustee 10771 Black Mountain Road San Diego, CA 92126	1.5625%	Unleased - see signed Receipt evidencing receipt of letter
T4S-R1W-26: Lot 3		
John D. Chasel 2285 Lucky John Drive Park City, UT 84060	38.697341% WI	Leased - see signed Receipt evidencing receipt of letter

Kenneth Young  
P.O. Box 16  
Bayfield, CO 81122

August 27, 1998

High Plains Associates, Inc.  
Bob Annear  
1557 Ogden Street  
Suite 300  
Denver, CO 80218



Re: Request for Location Exception

Dear Mr. Annear:

I am in receipt of your letter dated August 25, 1998 requesting an exceptional spacing approval from me. Your letter failed to define the spacing unit you are asking for nature and the nature of the topographic problem. This letter will serve as notice that I am against your exceptional location request and any attempts by the State of Utah to grant such a request will be appealed. The drainage pattern for a 40 acre spacing unit in this area will surely cross the section line and drain my lands. My land is not leased at the present and therefore the likelihood of me being protected from drainage is nonexistent. It is the States responsibility to regulate the orderly development of this land.

I would suggest that since you have to drill the well so close to the section line that the drilling unit cross the section line. If the State sees fit to grant your exceptional location then I would ask that an exceptional location be granted for the sections surrounding your leases so that I can promote the drainage of your property.

If this item has been set for hearing please provide me with the hearing date. If it is an administrative decision then please provide me with the necessary information for appeal. If you have any further questions please contact me at (970) 884-9530.

Sincerely,

Kenneth J Young  
Mineral Owner

cc: Gil Hunt, Oil & Gas Department

*Commission Copy*

**FILED**

SEP 08 1998

SECRETARY, BOARD OF  
OIL, GAS & MINING**BEFORE THE BOARD OF OIL, GAS AND MINING****DEPARTMENT OF NATURAL RESOURCES****STATE OF UTAH**

IN THE MATTER OF THE REQUEST )  
 FOR AGENCY ACTION OF INLAND )  
 PRODUCTION COMPANY FOR )  
 APPROVAL OF AN EXCEPTION )  
 WELL LOCATION FOR THE )  
 HANCOCK #4-26-4-1 WELL LOCATED )  
 IN LOT 4, SECTION 26, TOWNSHIP 4 )  
 SOUTH, RANGE 1 WEST, U.S.B. & M., )  
 UINTAH COUNTY, UTAH )

**ORDER GRANTING INLAND  
 PRODUCTION COMPANY'S ORAL  
 MOTION TO DEVIATE FROM THE  
 BOARD'S RULES AND TO SET  
 HEARING BEFORE A HEARING  
 EXAMINER**

Docket No. 98-018

Cause No. 238-2

Inland Production Company's ("Inland") oral motion having been presented ex parte by Thomas W. Clawson of Van Cott, Bagley, Cornwall & McCarthy, representing Inland, before the Board of Oil, Gas and Mining (the "Board") on Wednesday, August 26, 1998, on the record and during the Board's regularly scheduled briefing session with the Division of Oil, Gas, and Mining (the "Division"), the Board having fully considered Inland's oral motion and the grounds and reasons provided therefore, and good cause appearing, hereby enters its Order Granting Inland Production Company's oral motion as follows:

1. Pursuant to Rule R641-100-400 of the Utah Administrative Code, Inland shall be allowed to deviate from Rule R641-105-100 and may file its Request for Agency Action in the above-entitled cause after the August 10, 1998 filing deadline in order to be considered during the Board's next regularly scheduled hearing on September 23, 1998.

2. Pursuant to Rule R641-113-100, Inland's Request for Agency Action in this cause shall be set for hearing before a hearing examiner to be held on a date before the regularly scheduled hearing of the Board on September 23, 1998.

3. Notice of Inland's Request for Agency Action shall be published, as contemplated under Rule R641-106-100, on an expedited basis to allow the hearing before the designated hearing examiner to be conducted before September 23, 1998.

4. Pursuant to Rule R641-113-100, Board Member Thomas B. Faddies is hereby designated as the hearing examiner and, as such, is vested with general authority to conduct the hearing in an orderly and judicial manner as contemplated under Rule R641-113-200, and further, is authorized to make evidentiary rulings and to take such evidence as is presented at the hearing.

5. The hearing examiner shall report his recommended findings of fact, conclusions of law, and order to the Board during the Board's regularly scheduled hearing on September 23, 1998.

6. The Division is hereby directed to review, consider, and approve, if otherwise satisfactory, Inland's Application for Permit to Drill, Deepen, or Plug Well (APD) for the Hancock #4-26-4-1 Well, subject to the Board's approval of the proposed exception well location for such well in Lot 4, Section 26, Township 4 South, Range 1 West, U.S.B. & M., Uintah County, Utah.

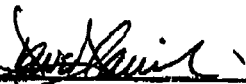
7. Based on Inland's oral motion and the Affidavit of Robert D. Annear, a copy of which is attached as Exhibit "A," it appears that Inland has complied with the requirements of Rule 4(g) of the Utah Rules of Civil Procedure and Rule R641-106-200(230) regarding service of process on persons whose whereabouts cannot be ascertained through reasonable diligence. Therefore, service of the Request for Agency Action in this cause shall be made on Margie W. Cleary and Dorothy C. Marques by publication in a newspaper of general circulation in Salt Lake

City and County, Utah, and in a newspaper of general circulation published in Uintah County, Utah, the county wherein the subject real property is located and is hereby designated as most likely to give notice to the above-referenced Owners. The published notice shall include the names of such Owners and shall otherwise conform, as appropriate, with the requirements of Rule R641-106-100.

8. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

ISSUED this 8TH day of September, 1998.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

By:   
Dave D. Lauriski  
Chairman





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

September 23, 1998

Inland Production Company  
P.O. Box 790233  
Vernal, Utah 84079

Re: Hancock 4-26-4-1 Well, 377' FNL, 286' FWL, NW NW, Sec. 26,  
T. 4 S., R. 1 W., Uintah County, Utah

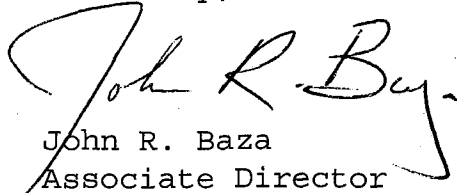
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to the Board of Oil, Gas and Mining by Inland Production Company in Docket No. 98-018, Cause No. 238-2. Board approval of the requested exception location has been granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33082.

Sincerely,

  
John R. Baza  
Associate Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: Inland Production Company  
Well Name & Number: Hancock 4-26-4-1  
API Number: 43-047-33082  
Lease: Fee  
Location: NW NW Sec. 26 T. 4 S. R. 1 W.

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well. Contact Jim Thompson at (801) 538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

**FILED**

SEP 23 1998

BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

SECRETARY, BOARD OF  
OIL, GAS & MINING

IN THE MATTER OF THE REQUEST  
FOR AGENCY ACTION OF INLAND  
PRODUCTION COMPANY FOR  
APPROVAL OF AN EXCEPTION  
WELL LOCATION FOR THE  
HANCOCK #4-26-4-1 WELL LOCATED  
IN LOT 4, SECTION 26, TOWNSHIP 4  
SOUTH, RANGE 1 WEST, U.S.B. & M.,  
UINTAH COUNTY, UTAH.

FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND ORDER OF  
APPROVAL

Docket No. 98-018  
Cause No. 238-2

**COPY**

43-047-33082

This cause came for hearing before Board Member Thomas B. Faddies, as the  
Utah Board of Oil, Gas and Mining's (the "Board") de 43-047-33082 Thursday,  
September 17, 1998, at the hour of 1:30 p.m. in Suite 2 1-11/16 NT Resources,  
1594 West North Temple, Salt Lake City, Utah, and re 2-File "Del." Board on  
Wednesday, September 23, 1998, at the hour of 10:00 a Conference Room,  
City Hall, 447 East Main Street, Vernal, Utah. The following Board members were present at the  
September 23, 1998 hearing: Thomas B. Faddies, in his capacity as the designated hearing  
examiner; Jay L. Christensen; Raymond Murray; Elise L. Erler; W. Allan Mashburn; and  
Stephanie Cartwright. Lowell P. Braxton, Acting Director, Utah Division of Oil, Gas and Mining  
(the "Division") was present for the Division at both hearings. John R. Baza was present for the  
Hearing Examiner's hearing. Patrick J. O'Hara and Daniel G. Moquin, Assistant Attorneys  
General and counsel to the Division and Board, respectively, were present at both hearings.  
The petitioner, Inland Production Company ("Inland"), was represented by Thomas W. Clawson  
of Van Cott, Bagley, Cornwall & McCarthy at both hearings. Robert D. Annear, Consulting

**FILED**

SEP 23 1998

BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

SECRETARY, BOARD OF  
OIL, GAS & MINING

IN THE MATTER OF THE REQUEST )  
FOR AGENCY ACTION OF INLAND )  
PRODUCTION COMPANY FOR )  
APPROVAL OF AN EXCEPTION )  
WELL LOCATION FOR THE )  
HANCOCK #4-26-4-1 WELL LOCATED )  
IN LOT 4, SECTION 26, TOWNSHIP 4 )  
SOUTH, RANGE 1 WEST, U.S.B. & M., )  
UINTAH COUNTY, UTAH. )

FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND ORDER OF  
APPROVAL

Docket No. 98-018

Cause No. 238-2

**COPY**

43-047-33082

This cause came for hearing before Board Member Thomas B. Faddies, as the Utah Board of Oil, Gas and Mining's (the "Board") designated hearing examiner, on Thursday, September 17, 1998, at the hour of 1:30 p.m. in Suite 2000, Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah, and regularly for hearing before the Board on Wednesday, September 23, 1998, at the hour of 10:00 a.m. in the Vernal City Conference Room, City Hall, 447 East Main Street, Vernal, Utah. The following Board members were present at the September 23, 1998 hearing: Thomas B. Faddies, in his capacity as the designated hearing examiner; Jay L. Christensen; Raymond Murray; Elise L. Erler; W. Allan Mashburn; and Stephanie Cartwright. Lowell P. Braxton, Acting Director, Utah Division of Oil, Gas and Mining (the "Division") was present for the Division at both hearings. John R. Baza was present for the Hearing Examiner's hearing. Patrick J. O'Hara and Daniel G. Moquin, Assistant Attorneys General and counsel to the Division and Board, respectively, were present at both hearings. The petitioner, Inland Production Company ("Inland"), was represented by Thomas W. Clawson of Van Cott, Bagley, Cornwall & McCarthy at both hearings. Robert D. Annear, Consulting

Landman, testified on behalf of the petitioner before the hearing examiner at the September 17, 1998 hearing. Although Kenneth J. Young, a mineral owner, by letter addressed to Bob Annear dated August 27, 1998, indicated his objection to petitioner's request, Kenneth J. Young did not appear at or otherwise participate at the September 17, 1998 hearing. Except for Mr. Young's written objection, a copy of which was entered into the record, Inland's request was unopposed. After considering the designated hearing examiner's recommended findings of fact, conclusions of law, and order, the Board approved petitioner's request for an exception well location for the Hancock #4-26-4-1 Well.

NOW, THEREFORE, the Board having fully considered the designated hearing examiner's recommended findings of fact, conclusions of law, and order as based on the testimony adduced and the evidence received at the September 17, 1998 hearing, being fully advised, and good cause appearing, hereby makes the following Findings of Fact, Conclusions of Law, and Order:

#### **FINDINGS OF FACT**

1. Notices of the time, place, and purpose of the September 17, 1998 hearing and the September 23, 1998 hearing were mailed to all interested parties by first-class mail, postage prepaid, and were duly published in the Salt Lake Tribune, Deseret News, and the Vernal Express pursuant to the requirements of Utah Administrative Code Rule R641-106-100. Copies of the Request for Agency Action were mailed to all interested parties pursuant to Rule R641-104-135. In addition, separate notices of the time, place, and purpose of the hearings were duly published by Inland in the Salt Lake Tribune for two consecutive Sundays beginning September 6, 1998, and in the Vernal Express for two consecutive weeks beginning on September <sup>9</sup> 7, 1998, in accordance with Rule R641-106-200.

2. Inland Production Company is a Texas corporation in good standing, having its principal place of business in Denver, Colorado. Inland is qualified to do business in Utah.

3. Inland is the operator of the Hancock #4-26-4-1 Well (the "Subject Well"), which has a surface location in Lot 4, Section 26, Township 4 South, Range 1 West, U.S.B. & M., Uintah County, Utah (the "Subject Lands").

4. Pursuant to the Board's Order Granting Inland Production Company's Oral Motion to Deviate from the Board's Rules and to Set Hearing Before a Hearing Examiner issued in this Cause on September 8, 1998, Inland submitted its Request for Agency Action in this Cause on August 27, 1998, in accordance with Utah statute and the applicable rules and regulations of the Board and Division. Inland's request seeks Board approval of an exception to the drilling location for the Subject Well as otherwise established under Rule R649-3-2 of the Utah Administrative Code.

5. Also pursuant to the Board's September 8, 1998 Order: (1) Inland's request was set for hearing before a hearing examiner on a date before the regularly scheduled hearing of the Board on September 23, 1998; (2) notice of Inland's request was ordered to be published, as contemplated under Rule R641-106-100, on an expedited basis to allow the hearing before the designated hearing examiner to be conducted before the Board's September 23, 1998 hearing; (3) Board Member Thomas B. Faddies was designated as the hearing examiner, and was vested with general authority to conduct the September 17, 1998 hearing in an orderly and judicial manner and to make evidentiary rulings and take such evidence as presented at the hearing; and (4) the hearing examiner was instructed to report his recommended findings of fact, conclusions of law, and order to the Board during the Board's regularly scheduled hearing on September 23, 1998.

6. The Board has jurisdiction of the parties and subject matter of Inland's Request for Agency Action, pursuant to Sections 40-6-5 of the Utah Code Annotated and Rule R649-3-3 of the Utah Administrative Code.

7. No spacing order of the Board as contemplated by Section 40-6-6 of the Utah Code Annotated exists with respect to the Subject Lands. Accordingly, pursuant to Rule R649-3-2, the Subject Well should be located at the center of a 40-acre quarter-quarter section, or a substantially equivalent lot, with a tolerance of 200 feet in any direction from the center location.

8. The permitted well location for the Subject Well would interfere with the existing uses of the surface at that location, including interfering with an existing surface structure and ongoing haying operations. Inland's proposal to drill the Subject Well at a location in subject Lot 4 outside the 400 square foot "window" as provided by Rule R649-3-2(1) in a location that is 376.5 feet from the north line and 285.6 feet from the west line of subject Lot 4 is reasonably necessary to accommodate the surface owner's existing surfaces uses and will fulfill the provisions of Chapter 6 of Title 40 of the Utah Code Annotated.

9. Inland owns all of the working interest in the Subject Lands.

10. The Roland James Oman and Yvonne T. Oman Living Trust is the surface owner of the Subject Lands. Inland and the surface owner have entered a surface access and damage agreement.

11. With the exception of the interests of Kenneth J. Young and Margie W. Cleary, Inland has obtained written consents to the exception well location and/or leases covering all of the oil and gas rights within a 460-foot radius of the proposed well location. Kenneth J. Young and Margie W. Cleary are the only "Owners," as defined by the Division's general rules at Rule R649-1-1, from which Inland has not been able to obtain leases or written consents for the exception location as required by Rule R649-3-3(1.2). After locating Kenneth J. Young in Bayfield, Colorado, Inland has attempted to obtain Mr. Young's written consent to the proposed exception well location or a lease covering Mr. Young's oil and gas rights. Inland has not been able to locate Margie W. Cleary.

Although the Request for Agency Action in this Cause was mailed first-class mail, postage prepaid, to Margie W. Cleary at the address as listed in the request, the mailed request was returned by the postal service indicating that Margie W. Cleary may be deceased. No other party has appeared representing the interests of Margie W. Cleary.

12. Inland has agreed that, should the Subject Well be successful and Inland not be able to obtain leases or written consents to the exception well location from Kenneth J. Young or Margie W. Cleary (or her estate and/or heirs), it will, based upon the data obtained from the Subject Well, petition the Board within a reasonable time, *e.g.*, ninety (90) days, for an appropriate spacing order and pool any and all interests necessary to protect all of the Owners' correlative rights.

#### CONCLUSIONS OF LAW

13. Due and regular notice of the times, places, and purposes of the September 17, 1998 hearing and the September 23, 1998 hearing, was given to all interested parties in the form and manner and within the time required by law and the Rules and Regulations of the Board. Due and regular notice of the filing of the Request for Agency Action was given to all interested parties in the form and manner and within the time required by law and the Rules and Regulations of the Board.

14. The Board has jurisdiction of the parties and subject matter of this Request for Agency Action, pursuant to Sections 40-6-5 of the Utah Code Annotated and Rule R649-3-3 of the Utah Administrative Code, and has power and authority to make and promulgate the order herein set forth.

15. The proposed exception well location for the Subject Well is reasonably necessary to fulfill the purposes of Chapter 6, Title 40 of the Utah Code Annotated, is in the public interest, and will foster, encourage, and promote conservation, will prevent waste, and will protect the correlative rights of all Owners.



## ORDER

Based on the Request for Agency Action, testimony and evidence submitted, and the Findings of Fact and Conclusions of Law stated above, the Board hereby orders as follows:

1. The Board hereby grants Inland's request for an exception well location for the Hancock #4-26-4-1 Well at a surface location 376.5 feet from the north line and 285.6 feet from the west line of Lot 4, Section 26, Township 4 South, Range 1 West, U.S.B. & M., in Uintah County, Utah.

2. The Hancock #4-26-4-1 Well shall be drilled in accordance with an appropriate application for permit to drill incorporating the terms of the Request for Agency Action and filed with and approved by the Division.

3. Should the Subject Well be successful, Inland will, within a reasonable time, *e.g.*, ninety (90) days, petition the Board for an appropriate spacing order and any other relief necessary to protect correlative rights and prevent waste.

4. Pursuant to Utah Administrative Code R641 and Utah Code Ann. § 63-46b-6 to -10, the Board has considered and decided this matter as a formal adjudication.

5. This Findings of Fact, Conclusions of Law and Order ("Order") is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Utah Administrative Procedures Act, Utah Code Ann. § 63-46b-10 and Utah Administrative Code R641-109.

6. Notice re Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63-46b-10(e) to -10(g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board

Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. § 63-46b-14(3)(a) and -16. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63-46b-13, entitled, "Agency review - Reconsideration," states:

- (1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63-46b-12 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.
- (b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.
- (2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.
- (3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.
- (b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Administrative Code R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10<sup>th</sup> day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15<sup>th</sup> day of that month.

Id. See Utah Administrative Code R641-110-200 for the required contents of a petition for Rehearing.

If there is any conflict between the deadline in Utah Code Ann § 63-46b-13 and the deadline in Utah Administrative Code R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board

later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

7. The Board retains continuing jurisdiction over all the parties and over the subject matter of this Cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this Order by the Utah Supreme Court.

8. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

ISSUED this 23 day of September, 1998.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

By W. Allan Mashburn acting for  
Dave D. Lauriski, Chairman

I, Thomas B. Faddies, a member of the State of Utah's Board of Oil, Gas and Mining (the "Board"), acting under Utah Administrative Code R 641-113 as the Board's duly-appointed Hearing Examiner in the above-captioned matter, held an evidentiary hearing on the record September 17, 1998 at 1594 W. North Temple, Room 2000, Salt Lake City, Utah. Based on the evidence received in the record, and based on applicable law, I hereby recommend that the Board adopt the foregoing proposed "Findings of Fact, Conclusions of Law and Order."

DATED this 17 day of September, 1998.

By Thomas B. Faddies  
Thomas B. Faddies  
Board Member in my capacity as  
the Hearing Examiner.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
ENTITY ACTION FORM - FORM 6

OPERATOR Inland Production Company  
ADDRESS 410 17th St, Suite 700  
Denver, Colorado 80202

OPERATOR ACCT. NO. N 5160

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
	99999	12492	43-047-38282	Hancock 4-26-4-1	NW/NE	26	04S	1W	Uintah	9/25/98	
WELL 1 COMMENTS: Spud well w/ Benco Rig @ 10:45, 9/25/98 981027 entity added. KDR											
	99999	12419	43-013-32003	Ashley Federal 14-1	S/SW	1	04S	15E	Duchesne	9/23/98	
WELL 2 COMMENTS: Spud well w/ Union, Rig #14 @ 2:30 p.m., 9/23/98 981027 entity added. (Ashley unit). KDR											
	99999	12493	43-013-32081	Castle Draw 11-4-9-17	NW/SW	4	04S	17E	Duchesne	9/23/98	
WELL 3 COMMENTS: Spud well w/ Union, Rig #7 @ 2:00 p.m., 9/23/98 981027 entity added. KDR											
	99999	12419	43-013-32006	Ashley Unit 2-12	NW/NE	12	04S	15E	Duchesne	10/6/98	
WELL 4 COMMENTS: Spud well w/ Union, Rig #14 @ 2:00 p.m., 10/6/98 Ashley Unit 981027 entity added. (Ashley unit) KDR											
	99999										
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

Shannon Smith  
Signature

Engineering Secretary 04/02/98  
Title Date

Phone No. (303) 382-4441

Oct. 26, 1998 5:14 PM INLAND RESOURCES

No. 7439 P. 3

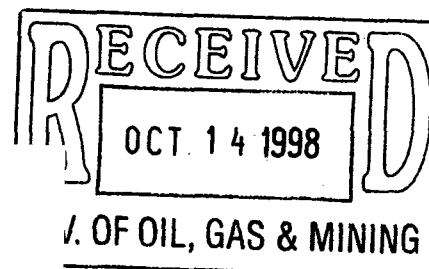
STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

1. <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)		5. LEASE DESIGNATION AND SERIAL NO. <b>FEE</b>	
2. NAME OF OPERATOR <b>INLAND PRODUCTION COMPANY</b>		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME <b>N/A</b>	
3. ADDRESS OF OPERATOR <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202 (303) 893-0102</b>		7. UNIT AGREEMENT NAME <b>NA</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 377 FNL 286 FWL</b>		8. FARM OR LEASE NAME <b>HANCOCK</b>	
14. API NUMBER <b>43-047-33082</b>		9. WELL NO. <b>4-26-4-1</b>	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5089 GR</b>		10. FIELD AND POOL, OR WILDCAT <b>UNDESIGNATED</b>	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>NW/NW Section 26, T04S R01W</b>	
		12. COUNTY OR PARISH <b>UINTAH</b>	13. STATE <b>UT</b>
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>	(OTHER) <u>Weekly Status</u>	<input checked="" type="checkbox"/>
(OTHER) <input type="checkbox"/>	<input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**WEEKLY STATUS REPORT FOR WEEK OF 9/24/98 - 10/7/98**

WOC. NU BOP's. Test BOP's. TIH. Blowhole down. Drl plug, cmt & GS. Drl 332' - 5493'.



18. I hereby certify that the foregoing is true and correct  
SIGNED Shannon Smith  
  
(This space for Federal or State office use)  
APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

*drl*

**OIL AND GAS**

JRB	
4 RJK	<input checked="" type="checkbox"/>
SLS	
GLH	
DTS	
1 KAH	<input checked="" type="checkbox"/>
3 SLS	<input checked="" type="checkbox"/>
2 SLS	<input checked="" type="checkbox"/>
MICROFILM	
FILE	

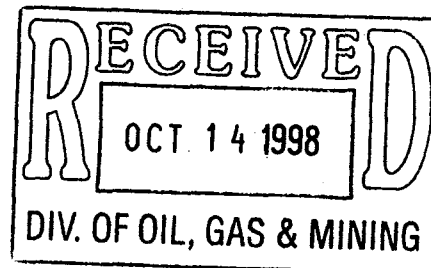
10/9/98

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

<b>1. SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals.)		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> <b>FEE</b>	
OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		<b>6. IF INDIAN, ALLOTTEE OR TRIBAL NAME</b>  N/A	
<b>2. NAME OF OPERATOR</b> <b>INLAND PRODUCTION COMPANY</b>		<b>7. UNIT AGREEMENT NAME</b>  NA	
<b>3. ADDRESS OF OPERATOR</b> <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202</b> <b>(303) 893-0102</b>		<b>8. FARM OR LEASE NAME</b> <b>HANCOCK</b>	
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements. * See also space 17 below.) At surface <b>NW/NW 377 FNL 286 FWL</b>		<b>9. WELL NO.</b> <b>4-26-4-1</b>	
<b>10. FIELD AND POOL, OR WILDCAT</b>  <b>UNDESIGNATED</b>		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> <b>NW/NW Section 26, T04S R01W</b>	
<b>14. API NUMBER</b> <b>43-047-33082</b>	<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.) <b>5089 GR</b>	<b>12. COUNTY OR PARISH</b> <b>UINTAH</b>	<b>13. STATE</b> <b>UT</b>
<b>16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data</b>			
<b>NOTICE OF INTENTION TO:</b>  TEST WATER SHUT-OFF <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> ABANDON* <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (OTHER) <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b>  WATER SHUT-OFF <input type="checkbox"/> REPAIRING WELL <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/> (OTHER) <u>Weekly Status</u> <input checked="" type="checkbox"/>	
<b>17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.</b> (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*  			

**WEEKLY STATUS REPORT FOR WEEK OF 9/24/98 - 10/7/98**

WOC. NU BOP's. Test BOP's. TIH. Blowhole down. Drl plug, cmt & GS. Drl 332' - 5493'.



18. I hereby certify that the foregoing is true and correct

SIGNED Shannon Smith TITLE Engineering Secretary DATE 10/9/98

---

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

DIVISION OF OIL, GAS, AND MINING		5. LEASE DESIGNATION AND SERIAL NO. <b>FEE</b>	
1. <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME  N/A	
OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME  NA	
2. NAME OF OPERATOR <b>INLAND PRODUCTION COMPANY</b>		8. FARM OR LEASE NAME <b>HANCOCK</b>	
3. ADDRESS OF OPERATOR <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202</b> <b>(303) 893-0102</b>		9. WELL NO.  <b>4-26-4-1</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 377 FNL 286 FWL</b>		10. FIELD AND POOL, OR WILDCAT  <b>UNDESIGNATED</b>	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>NW/NW Section 26, T04S R01W</b>	
14. API NUMBER <b>43-047-33082</b>	15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5089 GR</b>	12. COUNTY OR PARISH <b>UINTAH</b>	13. STATE <b>UT</b>

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

### TEST WATER SHUT-OFF

## FRACTURE TREAT

SHOOT OR ACIDIZ?

## REPAIR WELL

(OTHER)

17. DESCRIBE PROPOSED WORK

MIRU Ben  
moist soil (  
@ 22' KB.  
Drl 12-1/4'  
"W92" csg

1/4#/sk Cello Flake (15.8 ppg 1.17 cf/sk yield). EST 9 001 CMLT 1600000. yr OC.

OIL AND GAS	
JRB	
RJK	
SLS	
GLH	
DTS	
12/27	
2/24/80	✓
MICROFILM	
2	FILE

FF

## REPAIRING WELL

ATMENT

## ALTERING CASING

ACIDIZING

### ABANDONMENT\*

### Surface Spud

ote: Report results of multiple completion on Well  
completion or Recompletion Report and Log form.)

pertinent dates, including estimated date of starting any depths for all markers and zones pertinent to this work.)

RDMD. SPUD WELL @ 10:45 AM, 9/25/98. Hit  
IG @ 1:30 PM, 10/1/98. Drl & set 15' 20" conductor  
& RH. (Set inside 11" csg). Drl Kelly dn. NU Cellar.  
Run 8-5/8" (GS, 7 jt 8-5/8"), 24#, J-55, ST & C csg, WHI  
40 bbl gel. Cmt w/140 sx Class "C" w/2% CC &

18. I hereby certify that the foregoing is true and correct

SIGNED Shamoon Smith TITLE \_\_\_\_\_

Engineering Secretary

DATE 10/9/98

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

1. <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)		5. LEASE DESIGNATION AND SERIAL NO. <b>FEE</b>	
OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME  <b>N/A</b>	
2. NAME OF OPERATOR <b>INLAND PRODUCTION COMPANY</b>		7. UNIT AGREEMENT NAME  <b>NA</b>	
3. ADDRESS OF OPERATOR <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202 (303) 893-0102</b>		8. FARM OR LEASE NAME <b>HANCOCK</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 377 FNL 286 FWL</b>		9. WELL NO. <b>4-26-4-1</b>	
		10. FIELD AND POOL, OR WILDCAT  <b>UNDESIGNATED</b>	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>NW/NW Section 26, T04S R01W</b>	
14. API NUMBER <b>43-047-33082</b>	15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5089 GR</b>	12. COUNTY OR PARISH <b>UINTAH</b>	13. STATE <b>UT</b>

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>	(OTHER) <u>Surface Spud</u> <input checked="" type="checkbox"/>	
(OTHER) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

MIRU Benco. Drl 24" conductor hole to 6'. Install 6' of 18" conductor. RDMO. SPUD WELL @ 10:45 AM, 9/25/98. Hit moist soil @ 4' and wtr entering hole @ 6'. MIRU. SPUD ROTARY RIG @ 1:30 PM, 10/1/98. Drl & set 15' 20" conductor @ 22' KB. Drl & set 29' 13-3/8" conductor @ 35' KB. Drl & set MH & RH. (Set inside 11" csg). Drl Kelly dn. NU Cellar. Drl 12-1/4" hole. C&C. TOH. ND Cellar. Pull conductor (13-3/8"). Run 8-5/8" GS, 7 jt 8-5/8", 24#, J-55, ST & C csg, WHI "W92" csghead (293'). Csg set @ 303'. RU BJ. Pmp 10 bbl dye wtr & 40 bbl gel. Cmt w/140 sx Class "G" w/2% CC & 1/4#/sk Cello Flake (15.8 ppg 1.17 cf/sk yield). Est 9 bbl cmt returns. WOC.

18. I hereby certify that the foregoing is true and correct

SIGNED Shannon Smith

TITLE

Engineering Secretary

DATE

10/9/98

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
DRILLING INSPECTION FORM

OPERATOR: INLAND PRODUCTION CO COMPANY REP: MIKE WARD

WELL NAME HANCOCK #4-26 API NO 43-047-33082  
QTR/QTR: SECTION: 26 TWP: 4S RANGE: 1W

CONTRACTOR: UNION DRILLING COMPANY RIG NUMBER: #7

INSPECTOR: DENNIS L. INGRAM TIME: 1:40 PM DATE: 10/5/98  
SPUD DATE: DRY: 10/1/98 ROTARY: 10/1/98 PROJECTED T.D.: 6500'

OPERATIONS AT TIME OF VISIT: DRILLING AHEAD AT 3933' WITH H2O  
AND MUD MOTOR.

WELL SIGN: NO MUD WEIGHT 8.4 LBS/GAL BOPE: Y

BLOOE LINE: Y FLARE PIT: N H2S POTENTIAL: N

ENVIRONMENTAL:

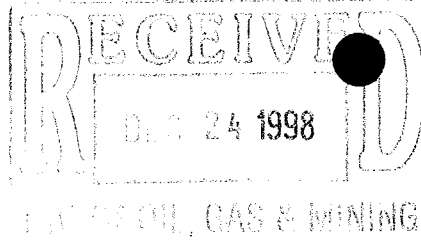
RESERVE PIT: Y FENCED: Y LINED: Y PLASTIC: Y  
RUBBER:        BENTONITE:        SANITATION: (2)

BOPE TEST RECORDED IN THE RIG DAILY TOUR BOOK: YES

800PSI ANNULAR, 1600PSI MANIFOLD, 2500PSI ACCUMULATOR.

REMARKS:

(LAST HOLE WAS CASTLE DRAW #11-4, T.D. ON 9/30/98 AT 5800' AND  
RAN 5 1/2" PRODUCTION PIPE). OPERATOR TESTED BOPE ON 10/2/98  
AND HAVE TEST CHART DISPLAYED IN DOGHOUSE. APD IS ALSO  
DISPLAYED IN DOGHOUSE. OPERATOR HAS ALSO SET 293' OF 8 5/8"  
J55 SURFACE PIPE AT 303'.



FORM 8

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>						5. LEASE DESIGNATION AND SERIAL NO. <div style="text-align: center;">FEE</div>	
						6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____						7. UNIT AGREEMENT NAME	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____						8. FARM OR LEASE NAME <div style="text-align: center;">Hancock</div>	
2. NAME OF OPERATOR <div style="text-align: center;">INLAND RESOURCES INC.</div>						9. WELL NO. <div style="text-align: center;">4-26-4-1</div>	
3. ADDRESS OF OPERATOR <div style="text-align: center;">410 17th St. Suite 700 Denver, CO 80202</div>						10. FIELD AND POOL, OR WILDCAT <div style="text-align: center;">Undesignated</div>	
4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)* At surface <div style="text-align: center;">NW/NW ? 37<sup>6</sup>' FNL &amp; 285 FWL</div> At top prod. interval reported below						11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA <div style="text-align: center;">NW/NW Lot 4, Sec. 26, T4S R1W</div>	
14. API NO. <div style="text-align: center;">43-047-33082</div>				DATE ISSUED <div style="text-align: center;">9/23/98</div>		12. COUNTY <div style="text-align: center;">Uintah</div>	
15. DATE SPURRED <div style="text-align: center;">9/25/98</div>		16. DATE T.D. REACHED <div style="text-align: center;">10/8/98</div>		17. DATE COMPL. (Ready to prod.) or (Plug & Abd.) <div style="text-align: center;">10/29/98</div>		18. ELEVATIONS (DF, RKB, RT, GR, ETC.) <div style="text-align: center;">5089' GL 5099' KB</div>	
20. TOTAL DEPTH, MD & TVD <div style="text-align: center;">6500'</div>		21. PLUG BACK T.D., MD & TVD <div style="text-align: center;">6468'</div>		22. IF MULTIPLE COMPL., HOW MANY* <div style="text-align: center;">-----&gt;</div>		23. INTERVALS ROTARY TOOLS DRILLED BY <div style="text-align: center;">X</div>	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION---TOP, BOTTOM, NAME (MD AND TVD) <div style="text-align: center;">Green River 4854' - 6239'</div>						19. ELEV. CASINGHEAD <div style="text-align: center;">UT</div>	
26. TYPE ELECTRIC AND OTHER LOGS RUN <div style="text-align: center;">DL/CL/GR, CND/CND Nelson/GR</div>						27. WAS WELL CORED? YES <input type="checkbox"/> NO <input type="checkbox"/> DRILL STEM TEST? YES <input type="checkbox"/> NO <input type="checkbox"/> <div style="text-align: right;">(Submit analysis) (See reverse side)</div>	
<b>23. CASING RECORD (Report all strings set in well)</b>							
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE	
8-5/8		24#		303'		12-1/4	
5-1/2		15.5#		6481'		7-7/8	
						290 sx Premium Lite Modified	
						300 sx Class "G"	
<b>29. LINER RECORD</b>							
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT	
						SCREEN (MD)	
						2-7/8	
<b>30. TUBING RECORD</b>							
SIZE		TOP (MD)		BOTTOM (MD)		PACKER SET (MD)	
						EOT @ 6318'	
						TA @ 6159'	
<b>31. PERFORATION RECORD (Interval, size and number)</b>							
INTERVAL		SIZE		NUMBER			
CP 6183-86', 6200-06', 6218-39'		4 SPF		120 Holes			
C 5590-5603', 5607-23'		4 SPF		116 Holes			
GB 4854-64', 4900-20'		4 JSPF		120 Holes			
<b>32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.</b>							
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED					
6183' - 6239'		109,000# 20/40 sd in 584 bbls Viking I-25					
5590' - 5623'		106,080# 20/40 sd in 551 bbls Viking I-25					
4854' - 4920'		128,000# 20/40 sd in 585 bbls Viking I-25					
<b>33.* PRODUCTION</b>							
DATE FIRST PRODUCTION <div style="text-align: center;">10/29/98</div>		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) <div style="text-align: center;">2-1/2 x 1-1/2 x 15' RHAC Pmp</div>				WELL STATUS (Producing or shut-in) <div style="text-align: center;">Producing</div>	
DATE OF TEST <div style="text-align: center;">7 day ave</div>		HOURS TESTED <div style="text-align: center;">11/1/98</div>		CHOKE SIZE <div style="text-align: center;">-----&gt;</div>		PROD'N. FOR TEST PERIOD <div style="text-align: center;">126</div>	
FLOW. TUBING PRESS.		CASING PRESSURE		CALCULATED 24-HOUR RATE <div style="text-align: center;">-----&gt;</div>		OIL-BBL. GAS-MCF. WATER-BBL. GAS-OIL RATIO <div style="text-align: center;">95 0 1</div>	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)						TEST WITNESSED BY	
35. LIST OF ATTACHMENTS							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED <u>Shannon Smith</u>		TITLE <u>Engineering Secretary</u>				DATE <u>12/21/98</u>	

See Spaces for Additional Data on Reverse Side

## INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS: 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.			38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP
					MEAS. DEPTH
					RUE VERT. DEPTH
GARDEN GULCH	4247'				
GARDEN GULCH 2	4650'				
POINT 3	4935'				
X MARKER	5173'				
Y MARKER	5205'				
DOUGLAS CREEK	5336'				
BI-CARB	5630'				
B-LIME	5759'				
CASTLE PEAK	6168'				
BAS CARBONATE	NDE				
TOTAL DEPTH	6500'				

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

<b>1. SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)  OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> <b>FEE</b>	
<b>2. NAME OF OPERATOR</b> <b>INLAND PRODUCTION COMPANY</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBAL NAME</b>  N/A	
<b>3. ADDRESS OF OPERATOR</b> <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202</b> <b>(303) 893-0102</b>		<b>7. UNIT AGREEMENT NAME</b>  NA	
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 376.5 FNL 285.6 FWL</b>		<b>8. FARM OR LEASE NAME</b> <b>HANCOCK</b>	
<b>14 API NUMBER</b> <b>43-047-33082</b>		<b>9. WELL NO.</b> <b>4-26-4-1</b>	
<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.)		<b>10. FIELD AND POOL, OR WILDCAT</b>  <b>UNDESIGNATED</b>	
		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> <b>NW/NW Section 26, T04S R01W</b>	
		<b>12. COUNTY OR PARISH</b> <b>UINTAH</b>	<b>13. STATE</b> <b>UT</b>

<b>16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data</b>			
<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>	(OTHER) <u>Weekly Status</u>	<input checked="" type="checkbox"/>
(OTHER) <input type="checkbox"/>	<input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

**17 DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**WEEKLY STATUS REPORT FOR WEEK OF 10/8/98 - 10/21/98**

Drilled 7-7/8" hole w/Union, Rig #7 from 5493' - 6500'.

Run 5-1/2" FS, 151 jts 5-1/2", 15.5#, J-55, LT & C csg (6477'). Csg set @ 6481'. RU BJ. Circ gas out of hole. Pmp 10 bbl dye wtr & 20 bbl gel. Cmt w/290 sx Premium Lite Mod (11.0 ppg 3.42 cf/sk yield) & 300 sx Class "G" w/10% A-10 & 10% salt (14.4 ppg & 1.63 cf/sk yield). Good returns until 117 bbl of 155 displaced. Had 0-50% for rest of job. POB w/1670 psi, 12:30 am, 10/9/98. RD BJ. ND BOP's. Set slips w/85,000#, RD. Rig released @ 2:30 am, 10/9/98. RDMOL.

**18 I hereby certify that the foregoing is true and correct**  
SIGNED Shannon Smith TITLE Engineering Secretary DATE 10/28/98

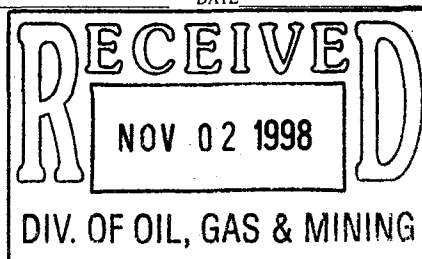
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

\* See Instructions On Reverse Side



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

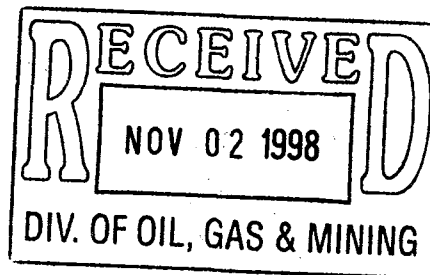
<b>1. SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> <b>FEE</b>	
		<b>6. IF INDIAN, ALLOTTEE OR TRIBAL NAME</b>  N/A	
<b>OIL</b> <input checked="" type="checkbox"/> <b>GAS</b> <input type="checkbox"/> <b>WELL</b> <input checked="" type="checkbox"/> <b>WELL</b> <input type="checkbox"/> <b>OTHER</b> <input type="checkbox"/>		<b>7. UNIT AGREEMENT NAME</b>  NA	
<b>2. NAME OF OPERATOR</b> <b>INLAND PRODUCTION COMPANY</b>		<b>8. FARM OR LEASE NAME</b> <b>HANCOCK</b>	
<b>3. ADDRESS OF OPERATOR</b> <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202</b> <b>(303) 893-0102</b>		<b>9. WELL NO.</b> <b>4-26-4-1</b>	
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 376.5 FNL 285.6 FWL</b>		<b>10. FIELD AND POOL, OR WILDCAT</b>  <b>UNDESIGNATED</b>	
		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> <b>NW/NW Section 26, T04S R01W</b>	
<b>14. API NUMBER</b> <b>43-047-33082</b>	<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.)	<b>12. COUNTY OR PARISH</b> <b>UINTAH</b>	<b>13. STATE</b> <b>UT</b>

<b>16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data</b>			
<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>	(OTHER) <u>Weekly Status</u>	<input checked="" type="checkbox"/>
(OTHER) <input type="checkbox"/>	<input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

**17 DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**WEEKLY STATUS REPORT FOR WEEK OF 10/8/98 - 10/21/98**

Perf CP sand @ 6183-86', 6200-06' & 6218-39'.



<b>18 I hereby certify that the foregoing is true and correct</b>			
<b>SIGNED</b> <u>Shannen Smith</u>	<b>TITLE</b> <u>Engineering Secretary</u>	<b>DATE</b> <u>10/28/98</u>	
(This space for Federal or State office use)			
<b>APPROVED BY</b> _____	<b>TITLE</b> _____	<b>DATE</b> _____	
<b>CONDITIONS OF APPROVAL, IF ANY:</b>			

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

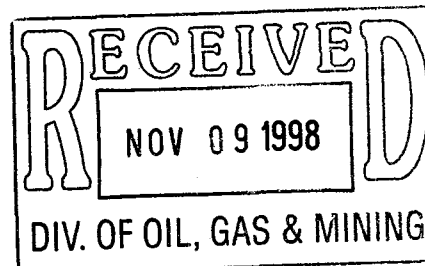
<b>1. SUNDRY NOTICES AND REPORTS ON WELLS</b>  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.)		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> <b>FEE</b>	
<b>2. NAME OF OPERATOR</b> <b>INLAND PRODUCTION COMPANY</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBAL NAME</b>  <b>N/A</b>	
<b>3. ADDRESS OF OPERATOR</b> <b>410 17TH STREET, SUITE 700, DENVER, COLORADO 80202</b> <b>(303) 893-0102</b>		<b>7. UNIT AGREEMENT NAME</b>  <b>NA</b>	
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>NW/NW 376.5 FNL 285.6 FWL</b>		<b>8. FARM OR LEASE NAME</b> <b>HANCOCK</b>	
<b>14. API NUMBER</b> <b>43-047-33082</b>		<b>9. WELL NO.</b> <b>4-26-4-1</b>	
<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.)		<b>10. FIELD AND POOL, OR WILDCAT</b>  <b>UNDESIGNATED</b>	
		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> <b>NW/NW Section 26, T04S R01W</b>	
		<b>12. COUNTY OR PARISH</b> <b>UINTAH</b>	<b>13. STATE</b> <b>UT</b>

<b>16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data</b>			
<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>	(OTHER) <u>Weekly Status</u>	<input checked="" type="checkbox"/>
(OTHER) <input type="checkbox"/>	<input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

**17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**WEEKLY STATUS REPORT FOR WEEK OF 10/22/98 - 11/4/98**

Perf C sds @ 5590'-5603' & 5607-23'.  
Perf GB sds @ 4854-64' & 4900-20'.  
Swab well. Trip production tbg.  
PLACE WELL ON PRODUCTION @ 11:30 AM, 10/29/98.



**18. I hereby certify that the foregoing is true and correct**  
SIGNED Shannen Smith TITLE Engineering Secretary DATE 11/5/98

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:



## Office of the Secretary of State

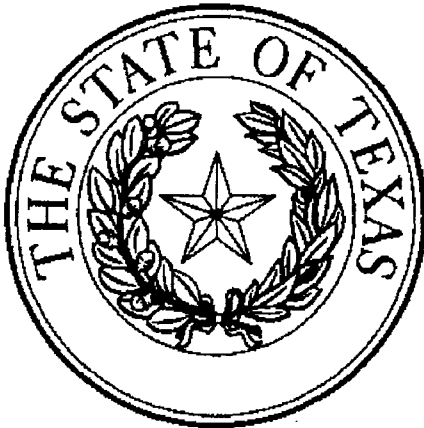
The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Newfield Production Company  
Filing Number: 41530400

Articles of Amendment

September 02, 2004

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 10, 2004.



A handwritten signature in black ink, appearing to read "G. Connor".

Secretary of State

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
INLAND PRODUCTION COMPANY

FILED  
In the Office of the  
Secretary of State of Texas  
SEP 02 2004  
Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "TBCA"), the undersigned corporation adopts the following articles of amendment to the articles of incorporation:

ARTICLE 1 – Name

The name of the corporation is Inland Production Company.

ARTICLE 2 – Amended Name

The following amendment to the Articles of Incorporation was approved by the Board of Directors and adopted by the shareholders of the corporation on August 27, 2004.

The amendment alters or changes Article One of the Articles of Incorporation to change the name of the corporation so that, as amended, Article One shall read in its entirety as follows:

"ARTICLE ONE – The name of the corporation is Newfield Production Company."

ARTICLE 3 – Effective Date of Filing

This document will become effective upon filing.

The holder of all of the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the TBCA, adopting said amendment, and any written notice required has been given.

IN WITNESS WHEREOF, the undersigned corporation has executed these Articles of Amendment as of the 1<sup>st</sup> day of September, 2004.

INLAND RESOURCES INC.

By: Susan G. Riggs  
Susan G. Riggs, Treasurer



## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH

2. CDW

3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

**X Operator Name Change****Merger**

The operator of the well(s) listed below has changed, effective:

**9/1/2004****FROM: (Old Operator):**

N5160-Inland Production Company

Route 3 Box 3630

Myton, UT 84052

Phone: 1-(435) 646-3721

**TO: ( New Operator):**

N2695-Newfield Production Company

Route 3 Box 3630

Myton, UT 84052

Phone: 1-(435) 646-3721

**CA No.****Unit:****WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
HANCOCK 14-23-4-1	23	040S	010W	4304733080	12331	Fee	OW	P	
HANCOCK 11-23-4-1	23	040S	010W	4304733081	12355	Fee	OW	P	
HANCOCK 4-26-4-1	26	040S	010W	4304733082	12492	Fee	OW	P	
ODEKIRK SPRINGS 1A-35-8-17	35	080S	170E	4304733549	12909	Federal	OW	P	
ODEKIRK SPRINGS 15-35-8-17	35	080S	170E	4304733550	13094	Federal	OW	P	
ODEKIRK SPRING 13-36-8-17	36	080S	170E	4304733076	12420	State	D	PA	
SUNDANCE FED 14-31-8-18	31	080S	180E	4304734287		Federal	OW	APD	K
FEDERAL 1-31-8-18	31	080S	180E	4304734494	13927	Federal	OW	P	K
FEDERAL 2-31-8-18	31	080S	180E	4304734495	13959	Federal	OW	OPS	K
SUNDANCE 7-32-8-18	32	080S	180E	4304734458	13987	State	OW	P	K
SUNDANCE 8-32-8-18	32	080S	180E	4304734459	14047	State	OW	P	K
SUNDANCE 9-32-8-18	32	080S	180E	4304734460	13988	State	OW	OPS	K
SUNDANCE 11-32-8-18	32	080S	180E	4304734461	13962	State	OW	P	K
SUNDANCE 12-32-8-18	32	080S	180E	4304734462	14031	State	OW	P	K
SUNDANCE 13-32-8-18	32	080S	180E	4304734463	13964	State	OW	P	K
SUNDANCE 14-32-8-18	32	080S	180E	4304734464	14046	State	OW	P	K
SUNDANCE 15-32-8-18	32	080S	180E	4304734465	13978	State	OW	P	K
SUNDANCE 16-32-8-18	32	080S	180E	4304734466	14028	State	OW	OPS	K
FEDERAL 2-6-9-18	06	090S	180E	4304734013		Federal	OW	APD	K
FEDERAL 3-6-9-18	06	090S	180E	4304734425		Federal	OW	APD	K

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/15/20042. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/15/20043. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/23/20054. Is the new operator registered in the State of Utah: YES Business Number: 755627-01435. If **NO**, the operator was contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE  
6b. Inspections of LA PA state/fee well sites complete on: waived

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: na/

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 2/23/2005

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 2/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/28/2005
3. Bond information entered in RBDMS on: 2/28/2005
4. Fee/State wells attached to bond in RBDMS on: 2/28/2005
5. Injection Projects to new operator in RBDMS on: 2/28/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: waived

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: UT 0056

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: 61BSBDH2912

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919
2. The **FORMER** operator has requested a release of liability from their bond on: n/a\*  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

**COMMENTS:**

\*Bond rider changed operator name from Inland Production Company to Newfield Production Company - received 2/23/05